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Man vs. Bureaucracy

III. Foreign Affairs

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The powers of the president

THE increasing encroachment of bureaucracy upon individual liberty in domestic affairs has been the subject of two preceding articles. This article will investigate the place of the individual in relation to administrative operations in the broader field of international and world politics.

Two major issues of American foreign policy are now under active discussion: the North Atlantic Pact now awaiting Senate approval, and the problem of Germany.

The Atlantic Pact reflects a revolution in United States foreign policy. In contrast to our traditional isolationism, it states that an armed attack in Europe or North America against one or more of the signatories "shall be considered an attack against them all." It contains the agreement that "if such an . . . . attack occurs, each of them . . . . will assist the party or parties so attacked by taking forthwith, individually, and in concert with the other parties, such action as it deems necessary, including the use of armed force, to restore and maintain international peace and security."

Ever since the proposed draft was made public on March 18, discussion has raged over the question as to whether such an agreement would authorize and commit the President to take the country into military action without a declaration of war by Congress, upon whom the Constitution specifically confers this right.

The debate has been carried on chiefly in constitutional terms. The Pact has been unanimously approved by the Senate Foreign Relations Committee. The Committee report states that "nothing in the treaty . . . . increases or decreases the Constitutional powers of the President or the Congress or changes the relation between them." This statement leaves the question of the "war making powers" of the President, with their implications for foreign policy, just where they have been since the establishment of the Constitution. It leaves them just where they would have been without the Committee pronouncement, and just where they must remain, regardless of congressional action, until the Constitution is amended with respect to them.

The administrative power of the four Great Powers over the lives of millions of human beings in Germany is a matter of common knowledge and common acceptance. The Morgenthau Plan, the proposals of which were to a large degree incorporated by the heads of governments in the Potsdam Agreement of 1945, was aimed at reducing the Germans from an industrial to an agrarian economy

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and standard of living. The underlying objectives of the Potsdam Agreement remained operative until 1947 when they were supplanted in the United States sector by the policy of creating in Germany "those political, economic, and moral conditions . . . . which will contribute most effectively to a stable and prosperous Europe." This policy was later adopted for the entire Western Zone, reluctantly and with reservations by the French.

The conduct of foreign relations may, according to varying criteria, be designated as an executive, a legislative, or an administrative function, or, as a combination of two or more of these three. Some authorities see it as predominantly an executive function which involves not only the supervision of the carrying out of the law, but also the business of representing the nation as a whole, as in foreign negotiations. Others, stressing the policy-determining aspect of international dealings, in which the executive has traditionally had a very free hand, regard the conduct of foreign affairs as essentially legislative in character.

Still others follow the definition of administration suggested in the first article in this series, the actual doing by a governmental official of what the law empowers or directs him to do. They see in the carrying on of foreign relations an administrative act in pursuance of the law of the Constitution. Because of the large discretion involved and the magnitude of the issues at stake, they find in it the most comprehensive and far-reaching manifestation of the administrative function.

However the function may be designated, the machinery and the procedures whereby foreign policy is determined and made effective are not distinguishable from those used in the general field of administration. Military decisions by the President and his staff bear all the earmarks of top level administrative acts. Bureaucracy rides triumphant in the Department of State, with the President the Bureaucrat in Chief par excellence.

If differentiating characteristics are to be found for decisions in this area of administration, they must be sought in the direct participation of the President in the formation and the implementation of policy, and in the extreme degree of discretion that has lain in the President and his aides in the armed forces and the State Department. In the field of foreign affairs, the determination of the broad aims and objectives, as well as the choice of the means for their accomplishment, has lain outside the legislative body. The current laudable efforts of the government to acquaint the American people with what it is doing in the foreign field and to effect a better rapproachement with Congress, constitute a more recent development. They do not alter the fundamental pattern.

Only to a limited extent has Congress tried to legislate objectives for United States foreign policy; and in these cases it has had to rely on certain specific constitutional powers outside the political realm. This was true, for example, of the so-called "neutrality legislation" before World War II, which was passed under the power to regulate foreign commerce. That legislation, it may be added, was not calculated to inspire confidence in the legislative determination of foreign policy.

The power to conduct foreign relations is conferred upon the President in the Constitution. The various specific constitutional grants of authority in this field, liberally interpreted according to the doctrine of implied and resulting power, present a formidable array.

The President alone is given power to receive ambassadors and other foreign ministers. This has been understood to include the recognition of new states and governments, and the breaking of diplomatic relations with a state or government as the President may see fit—obviously a potent weapon in international dealings.

The President is Commander in Chief of the armed forces of the United States. This carries with it the right to send United States forces where he will, and to use them as seems to him necessary in time of peace as well as in time of war. The far flung use of the United States Navy as an instrument of foreign policy in peace-time is well known. The use of United States troops in China at the time of the Boxer Rebellion, and of the marines in Central and South America on

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occasions too numerous to mention, are examples of peace-time use of American forces by the President. In the light of all this, the present concern over the implications of the Atlantic Pact in this respect seems unrealistic and lacking in perspective.

The war-time powers of the President as commander in chief require no elaboration. It may, however, be pointed out that they include, as pertinent to the present international picture, the direction of military occupation and government of conquered territory until a peace treaty has been negotiated or Congress has acted to establish a government over territory acquired by the United States. This power of the President is held to be as absolute as is his power as commander in chief. It is this power, of course, which, in conjunction with that of the other occupying governments, is now being exercised over Germany.

Before and during the Civil War, Lincoln deduced from his military power as commander in chief, and from his executive power, a vast range of authority, including power to blockade the Southern ports, clearly an act of war, without waiting for congressional action. He claimed, in fact, the right to do anything in his judgment necessary to ensure the continued operation of the Constitution and the laws of the Union. "Are all the laws but one [the Constitution]," he said, "to go unexecuted, and the government itself to go to pieces lest one be violated?"

Beyond these powers in foreign relations conferred on the President alone, he shares, according to the Constitution, certain powers with Congress. With the Senate he appoints ambassadors, other foreign ministers, and consuls. Since he alone may nominate for these posts, and hence determine to what governments representatives shall be sent, his power in this area is great despite the necessity for senatorial approval.

While only the President can initiate treaties, to become effective a treaty must be approved by two-thirds of the Senators present. The requirement of so large a majority has given to the Senate great weight in this field, not only over against the President, but over against public opinion as well. Even a strong public opinion, representing a majority of the people, may be rendered of no avail. Long and bitter controversy has been waged over this matter.

The part played by the President in the making of treaties, coupled with the power to appoint and receive ambassadors, has been interpreted as indicating the intention of the framers of the Constitution that the Government of the United States should be in active relationship with other governments, and that the President should be the effective organ of that relationship. In the case of *United States* v. *Curtiss-Wright Export Corporation* (1936), the Supreme Court went so far as to declare the "power to acquire territory by discovery and occupation . . . . to expel aliens, [and] . . . . to make such international agreements as . . . . [are] not treaties . . . . [to] exist as inherently inseparable from the conception of [sovereign] nationality." Chief Justice Marshall was quoted to the effect that "the President is the sole organ of the nation in its external relations, and its sole representative with foreign nations." The power thus exercised by the President was designated as "delicate, plenary, and exclusive," and as resting on "the principles of international law."

TREATIES

The Presidents have used their power of negotiation as a means of circumventing the obstructionist tendencies evidenced by the Senate in the making of treaties. In increasing numbers, "executive agreements" entered into with foreign powers by the President alone have taken the place of treaties. The Supreme Court has held the executive agreement to constitute, like the treaty, part of the supreme law of the land.

The Constitution gives Congress the power to regulate foreign commerce, to raise and support armies, to provide and maintain a navy, and to declare war. Congress also has the taxation and appropriation powers. In all these the President, of course, shares. Since the United States has recognized the necessity of building up the economic and military strength of weaker countries as a bulwark against communism, the appropriation power of Congress has loomed larger as an instrument of foreign policy in a time of technical peace.

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The President, however, still occupies a highly strategic position. He is still the director of international negotiations, and he may, as always, back up those negotiations with his power as commander in chief. He may, in effect, bring the nation to the brink of war, leaving to Congress practically no alternative to a declaration. The President may even order the armed forces to act, if necessary, in self defense, as, for example, Roosevelt did in the Atlantic Defense Area before we entered World War II. The implications in this connection of the provisions of the Atlantic Pact quoted above are evident.

It is true that beyond a congressional declaration of war, which presidents have always called for if hostilities developed, the Executive is dependent upon congressional appropriations for armed forces and supplies, and for additional armed forces themselves. These have, however, as a matter of fact, been forthcoming with whatever this may have meant in the curtailment of liberty, and in the expenditure of wealth and of life on the part of the individual citizen.

The tremendous range of the President's power in foreign and international affairs has been revealed in this recapitulation. Especially applicable to this area of power was Secretary of State Seward's designation of the President as the elected king of the United States, endowed with "absolute power" which, together with the limitations put upon it, he is free to interpret as he may see fit. Nor are the techniques, actual and suggested, for establishing controls over administrative operations in this area as practical as in the domestic field.

The President can be removed from office only by impeachment, and impeachment cannot be undertaken for political reasons, that is, for reasons of policy. The courts also will not hold the President responsible either for acting within his powers, nor for performing his legal or constitutional duties. They have in effect adjudged his office as completely discretionary, and as such immune from judicial process. Public opinion has fewer channels of influence here than in those areas where congressional legislation plays a larger role.

So long as the world is divided into "sovereign" states, each in the last analysis free to determine its own foreign policy in the interest of its sovereignty, each state must be free to shift its course according to the directions taken by other states. This means that it would be difficult, and it might be hazardous, for the legislature to attempt to lay down long-range objectives in other than such broad generalization as would still leave the President an almost unlimited freedom of discretion.

Discussion of matters of mutual concern by the various organs of the United Nations does tend, it is true, to break down the separateness of the foreign policies of those states willing or wishing to defer to what those discussions may reveal as a more common point of view. This has been evident in connection with policy toward the new state of Israel. Since, however, the United Nations is a league of sovereign states such deference is still optional.

Only when a more closely knit supranational organization has emerged, with a central executive and a central legislature, will what will remain of those matters that now furnish the substance of the foreign policies of sovereign states be compounded into what will then be a coordinated domestic policy for the larger whole. Much of what now constitutes the foreign policies of states will in the nature of the case be sloughed off in the process of unification.

When this consummation is reached, the peculiar problems presented for the individual by the operations of bureaucracy in the field of foreign affairs will perforce no longer exist. The more general aspects of the problem of man versus bureaucracy, as presented in the first two articles in this series will, on the other hand, continue, projected on a larger canvas. And this in its turn, will present to democracy not a less, but a more urgent challenge in the atomic age.

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The Economic Basis of Southern Politics (III)

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Industry in the New South

ON the evening of December 22, 1889, Henry Woodfin Grady, of Atlanta, told the New England Club of New York City about the New South. General Adam Badeau, a northerner in South Carolina, had already used the term. Grady was the most eloquent of the proponents of the New South, but he was by no means alone in his crusade. At the time he was speaking and writing of a day of new economic promise for the South, Francis W. Dawson, of Charleston, and Richard Hathaway Edmonds, of Baltimore, were crusading for the same changes. Assisting these leaders were dozens of others who saw an urgent need for southern industry and diversified farming.

Long before Grady went to New York, thoughtful southerners were looking ahead to the day when the South might develop its possibilities. Certain facts were evident; bitter partisan politics, a product of reconstruction, was a seriously deterrent factor. No disturbing of the political balance in the region could be tolerated for fear of bringing back the evils of radicalism. There was a badly disturbed labor-racial balance in addition to the antagonism toward carpetbaggers and scalawags. The Negro not only was a source of cheap labor, but he was also a source of political influence.

There was no lack of land in the South. So far as anyone could tell in 1865, it would take several generations to exploit this resource fully. Literally hundreds of stories in newspapers, periodicals, and promotional pamphlets set forth the desirability of southern land. All these emphasized the need for labor with which to exploit this source of wealth. The South had approximately 12,000,000 people, but it had room for three or four times this number. Scarcely had the last Confederate soldier turned his face homeward from Appomattox before a campaign was begun to bring new settlers to the sparsely settled areas of the section.

Carpetbaggers and other exploiters were unwelcomed, but paradoxically, the southerners received the prospective immigrants from the North with open arms. These brought southward three desirable things: money, Yankee ingenuity, and energy. Too, the larger the number of native immigrants who came South, the less southern institutions, especially the churches, would be disturbed. White immigrants would also serve to reduce the Negro populations by forcing the Negro to go elsewhere.

There was, however, a badly mistaken idea on the part of many southerners regarding this movement of immigrants from other sections. They wished to retain the abundance of cheap labor which the Negro had supplied, and at the same time be done with the color problem. Negroes did leave the South. In the 1880's there was a rather strong but brief migration to Kansas and the West. Later this tide was turned northward and to the newer sections of the South. Labor agents, representing railroad and land companies, worked diligently throughout the more intensive old plantation areas to secure large quotas of Negro laborers. At first the labors of these agents received the blessings of the white people, but later in every case of mass

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movement of Negroes away from the old sections, there arose violent opposition. The idea of getting rid of the Negro sounded good, but once vacant cabins and weed-grown fields stared landlords in the face, they became antagonistic toward labor agents. Some of them were driven away and others were placed in jail.

Cheap labor was considered one of the South's greatest attractions. Newspaper editors and commercial promoters were quick to publicize this fact. But even they knew that cheap labor was at best a relative thing. If the region became industrialized, this insufficient labor supply would dwindle. Efforts were made to attract European and oriental immigrants to the region. Every state, and nearly every important town, had an organization seeking immigrants, even though Europeans might upset church, political, and social organizations.

Not only did the South have an abundance of cheap labor for the current demand and plenty of cheap land, but it also had numerous other resources. Millions of acres of virgin land were covered with timber which would supply billions of feet of lumber to the new American industries. All that was needed was capital with which to buy sawmills, and railroads with which to haul the lumber away. There was timber for every purpose, ranging from the making of stave buckets and fine furniture to timbers for the heaviest construction.

In the Alabama, Georgia, Tennessee, and Kentucky hills were iron, coal, and copper deposits. Almost everywhere there were stone and clay deposits which supplied basic raw materials for building and ceramics. Exploitation of these mineral deposits was in time to bring the South into the realm of American big business.

Rushing down from the watersheds of the southern highlands were streams fed by countless springs which could maintain a satisfactory flow of water for 12 months a year. These power sites were located near many of the South's resources, and along the line of the most satisfactory transportation facilities. Finally, the South could offer a reasonably moderate climate. Heat was the only drawback, and this was not severe.

To develop these resources several things were necessary. There had to be access to outside capital. Native industrial leadership had to be developed and multiplied. Southern political leadership had to do an about-face, and legislatures had to be made to think in the strange terms of an industrial civilization. One-crop agriculture with all its attendant evils of serfdom and peonage had to run its course of failure. Basis for a new southern urban society had to be laid, and the many rigid social forms of the region had to undergo changes.

Some of these basic changes began in the early 1880's. A southern industrial exposition was held in Atlanta in 1881; it served notice on the rest of the nation that the South was beginning an industrial phase of development suited to its own peculiar needs. Although there were two parts of the Atlanta Exposition, the section devoted to the proposition that the South should manufacture its cotton products at home attracted the most attention. Cotton spinning and weaving machinery on display excited more attention than did any of the other exhibits. Editors from all over the South went to Atlanta and came home to proclaim the dawning of a new day. In Charleston, Captain Francis W. Dawson turned the Charleston *News and Courier* into a messenger of industry in which he begged for the establishment of cotton mills. At Raleigh and New Orleans the same thing was happening.

The year 1881 is a cardinal one in the development of the present South. It was in that year that the southern people firmly resolved to take the long but arduous path away from the patterns of the past. For years there was little enough evidence that this was to be true. The cotton mills were slow in getting started. Native sons had difficulty getting capital with which to manufacture native cotton near its field of growth. Within 20 years, 1880 to 1900, the Carolinas and Georgia became centers of textile manufacturing. There was something approaching religious fervor in the efforts to secure mills in many communities. Editors described how communities would grow if only they would make the sacrifice necessary to build a mill. Landowners were told that their lands could be

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sold at prices over $100 per acre when it was then selling for less than five dollars. There would be a market for farm products which had not existed before. As a result of this crusade, 64 per cent of the nation's spindles were in southern mills by 1900. In the so-called "Golden Crescent of the Piedmont" the textile industry fulfilled the dreams of those promoters of the 1880's who saw this particular type of manufacturing as an economic salvation for the South.

While cotton spindles produced an ever increasing quantity of thread, and looms converted it into cloth, other types of factories came into existence. Cottonseed oil mills converted a waste product into golden oil and a margin of profit for cotton farms. At Durham, Riedsville, Winston-Salem, Danville, and Richmond new cigarette factories took the places of the little plug tobacco houses and placed the South in the field of leadership in this type of manufacturing. At the same time tobacco farming became a new adjunct to industry, and in many areas otherwise sterile land began to produce a highly valuable product. In Kentucky and Tennessee, the newly developed burley belt began to expand after 1870, and by 1930 this had become a major southern commercial crop.

LUMBER

Other types of industrial development took place in the New South. Those millions of acres of virgin timber which the promoters had used to attract capital and immigrants South were now being cut over to make lumber for building materials and furniture. After 1880 the southern lumber market became world-wide in its scope. In the southern states themselves the industry became so important that in Mississippi alone the payroll from lumber was 80 per cent of the state's industrial wages. By 1930 the furniture industry had grown to major proportions. There were other industrial fields in which the South was utilizing native materials and resources to break down the old agrarian system which had shaped the region's economic and industrial patterns. Perhaps none of these was more foreign to the traditional southern system than that of petroleum production. Yet by 1920 this industry with its associated branches had grown into enormous size, and in parts of the South it far outstripped the cotton industry in capital importance.

Where once mountain and valley streams flowed away unharnessed, or were checked momentarily by splash dams to facilitate the movement of logs downstream or to turn clumsy water-mill wheels, there are now elaborate hydro-electric dams which produce thousands of kilowatt hours of electricity. Not even in their wildest dream could those editors of the past who proclaimed the virtues of water-power have foreseen the power development of today. They helped to shape a pattern of reverence in the southern mind for this type of economic development.

Although southern industrialization is not now a thing complete, several general observations may be made with some safety. There has been a fairly steady growth of southern cities in which the inhabitants have begun to lose the old agrarian cast of mind. It seems evident that much of the southern political planning and thinking of more recent years has been an unhappy division between rural and urban pressures. At the same time, industrialization has come to be a more important factor in legislation. In this area, southern politicians have been poorly conditioned. Historically the region's spellbinders could always abuse the indefinite oppressors of the people in their campaigns, but once industry and capital became almost as potent a factor in regional economics as agriculture, the politician was confused at best. It was no longer safe in many communities to abuse the Yankee money-lenders and carpetbaggers. It was all right to battle the old Yankee invaders of Civil War fame, but the younger generation of voters grew less bitter about the invasion as time passed.

Though there is yet much progress to be made, the South has already been forced to make material advances away from its old legislative patterns. It is true, of course, that legislators are still reluctant to vote against the wishes of the farm vote. Nevertheless there is a rapidly growing amount of reluctance to oppose the best interests of urban and industrial society. In the later years a considerable amount of industrial legislation has found its way into the statute books, and at

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the present time only one or two of the states are without basic legislation favorable to labor. Industrial labor itself has become strong enough in recent years to constitute a decisive block of votes, and office-seekers have either catered to this interest or disturbed the status quo as little as possible.

In the field of race relations, there has been noteworthy change. Certainly the lumbering and extractive industries have brought Negro and white men into closer association, and, at times, has tended to soften the bitterness of ancient hatreds and rivalries. In some instances rivalries were intensified to the disadvantage of the Negro. Lumbering, for instance, was work at which white and black could labor without serious friction. This industry, as much as farming, brought the white man into individual relationship as a coworker with the Negro. Perhaps the fact that this was true has much to do with explaining the reduction of lynchings in the South after 1900. There can be no doubt that once the old agrarian pattern of labor was broken, racial relationships began to grow more harmonious.

If the individual voter faced many physical changes in the New South, his political leaders faced many more. Decisions have become steadily more perplexing for the southern politicians. They have had to decide whether or not they would be liberal or conservative. From the beginning of the post-Civil War period the so-called "Bourbons" have leaned distinctly toward the conservative side of southern economic issues. Such men as Gordon, Colquitt, and Brown, of Georgia, and Lamar, of Mississippi, represented the point of view of northern capital. Their successors have followed reasonably close on their heels. Editors of big and little newspapers have usually spoken for a special interest conservatism. They have spent so much energy in the past in seeking industrial development that they long ago became wedded to the idea that they were obligated to protect it in the field of public opinion. Since the advent of the New Deal in the South, the political pattern has become much more clearly developed. The agrarian turn of mind serves a purpose in southern politics, but the real decisions are now being made where industrial interests are most effected. Southern political conservatism stems from seed planted in the years immediately following the war. Changes have come slowly to the South, but in more recent years they have gained momentum, and the planners of the 1880's, who saw in industry the utilization of native products, would not now be able to recognize their dreams in fulfillment. Not the wildest dreamer of that period foresaw the marked economic and political changes which would come. Perhaps, if they had foreseen what would happen, they would not have had the courage to break the old pattern.

The press has been often baffled by the sometimes obscure language of State Department statements. Recently, in an address Willard L. Thorp, Assistant Secretary of State, made a statement that had all of the reporters stumped. Speaking at Amherst College, Mr. Thorp said: "Thus we can say that three plus three are six in a system of numbers based on ten, but if we had only two fingers on each hand and had built up a system of numbers based on four, three plus three would truly be twelve." Reporters took the question up with department press officials but were unsatisfied by the manual demonstrations. When Mr. Thorp was asked for help he replied, "The mental exercise will do them good."

—*The New York Times*

Street hawkers in Egypt have popularized the word "nylon" and it is now part of the general vocabulary although it no longer has anything to do with stockings. In Cairo people are demanding nylon trolleys and speak of the new diesel locomotives acquired by Egypt. All new, bright, shiny, modern things are strictly "nylon."—*The New York Times*

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How the end came

The Collapse of Fascism in Italy

By MARIAN TAYLOR ABBAGNANO

IT IS totally beyond my own capacities to write anything approaching a history of the tormented war years of Italy's life. Yet it is impossible to understand the events of the summer and fall of 1943 without a brief sketch of the happenings behind the scenes, of which the population was not directly informed. People saw the results of these happenings, and judged them with the simple—and usually sound—criterion of the uninformed man of the streets. An inquiring glance at the causes—historical, psychological, social, and moral—of those tragic, absurd, and humiliating months, may enable us to explain them better now.

Ever since the fall of 1942, it had begun to be evident to large masses of people in Italy that it was really the beginning of the end. The bulk of the population—and by this I mean the politically uninformed, including the army—interpreted this as a fortunate conclusion of an unwanted, unloved, unfelt, and disastrous war. The fact that Fascism as a regime appeared doomed was in the natural order of things: everybody had been waiting 20 years for this to happen. The fact that this would come about through the defeat of their own country did not greatly trouble the masses. Quite aside from their connatural respect and admiration for the Western democracies, people did not feel and had never felt that this was *their* war. Instinctively, they felt that it would be the defeat of Fascism, not the defeat of Italy. Their propensity to believe blindly what Allied propaganda told them had nurtured this feeling into a full-fledged conviction.

Their torture and anguish during the first six months of 1943 was to see no immediate possibility of this defeat taking place. Their country was put to wrack and ruin, their homes were destroyed; their men were without work or obliged to go to Germany. Hunger, disease, and death knocked at every door —because a few irresponsible, vainglorious nincompoops didn't have the guts and sense to realize they were beaten.

But in Italy there were not only masses of uninformed people. There were also men trained in political life, men who had fought against Fascism in word, and writ, and deed for years. There were the high exponents of the military, who were perfectly aware of the actual situation. There was the king and the aristocracy which gravitated around him. There were some of the Fascist high officials and ministers themselves, who were beginning to realize that theirs was a losing game. Each of these four distinct groups was pricking up its ears and looking forward to the moment when it might find itself the inheritor of that coveted white elephant: the future government of Italy. Just how much of a white elephant it was; just how difficult it would be, morally and materially, to disentangle the country from Fascism and the Germans and guide it into a new course, nobody apparently realized.

The leaders of the newly constituted or old reconstituted anti-Fascist parties were, during those months, evidently outside the legal government. Their activity could be exerted towards the formation of public opinion, organizing strikes, and making many promises. But obviously any plans they could make for the future were purely hypothetical, at least

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until the king should formally charge them with the formation of a new government. (The Italian constitution had never been abolished *de jure* by Mussolini. Theoretically, at any moment of the Fascist reign the king would have had the power to dissolve the government—a power which in reality was purely theoretical since Mussolini had imposed his government on the king in 1922 with the threat of an armed revolution.) But the leftist anti-Fascist parties included among their promises and plans the abolishment of the monarchy and the constitution of a republic. So obviously their prospects of obtaining power in the present state of affairs could only be revolutionary—to profit by military defeat and the inherent confusion to overthrow Fascism and the monarchy and take the reins of government in hand. On this somewhat mythical basis, it was easy to promise heaven to the workmen who were in hell.

The Fascist high officials and ministers who were gradually opening their eyes and had never been too enthusiastic about the alliance with Germany (such as Ciano, removed from Foreign Affairs in Feb. 1943 and sent to the Holy See), were beginning to nurture the illusion that, if only they could get rid of Mussolini and his most pro-German collaborators, they might remain in power with popular support and conclude an honorable peace with the Allies. They were convinced—not without reason—that if they could free the country from Mussolini, the Germans, hunger, and bombs, they might be forgiven and be allowed to remain in power. They did not take into account the revolutionary or ideological capacities of the Italian people—again not without reason. They did not know the depths of the Italian people's fatigue and—at that moment—intolerance with anything approaching Fascism. On these premises, they began plotting and conspiring cautiously.

But the leaders of the center or right-wing anti-Fascist parties, the high exponents of the military, the king and his entourage, were in a position in which it was not only possible but imperative to do something about the country's plight. Actually, each of these groups was by tradition devoted to the king. For it was a known fact that the king had always disliked Fascism and still more its war, and ever since 1925 the two banners under which dissidence from Fascism had placed its hopes were communism or the monarchy. Devotion to the king meant respect for the constitution, which in turn meant the necessity of obtaining from the king the official charge of forming a new government to replace the old one.

And to the king men such as Ambrosio (then Chief of Staff), Badoglio, Bonomi, and Orlando turned for advice and guidance in the late spring of 1943, pressing upon him —as much as they dared—the necessity for action. Singular and concerted pressure was exerted upon him from all points. And as the weeks and months passed by, and the situation became more dramatic each day, the king listened attentively to all, replied vaguely that it had been his intention for some time to revoke Mussolini, hemmed and hawed, and did not commit himself. Day after day, week after week, the same comedy was repeated.

Ambrosio, hoping that an armistice might be made at the same time as the eventual coup d'état, and worried about the German reaction, cautiously attempted to recall divisions from France, Greece, Yugoslavia, or the Aegean islands. Badoglio, to whom many political men turned as the only possible successor to Mussolini, asked the king for an audience which should have been conclusive in the beginning of July. The king put it off till the sixteenth, then listened to his tale of the disastrous state of affairs, and finally asked him if he would consider forming a new cabinet. It was, at last, something concrete. Badoglio suggested some names (Orlando, Bonomi); but the king signified his disapproval, without making any suggestions of his own. And nothing was concluded.

Ambrosio was frantic, and had a plan for the arrest of Mussolini drawn up, which he intended to submit to the king in order to see his reaction and stir him into a decision. But at the last moment (the twentieth or twenty-first), he was forestalled by a message from the royal house notifying him that the king had decided to revoke Mussolini and had fixed the date for the twenty-sixth. On the twenty-fourth Badoglio was equally notified that the king had decided to revoke Mussolini

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and that he would be named prime minister. He was given the proclamation he should read over the radio at the moment of the coup d'état (written some weeks earlier by Orlando), but he was not told when all this should take place.

And that was how things stood on July 24. The king's attitude during these months, his disastrous hesitations, his willful or unwillful sabotage of any working plan—when everything depended on him—may appear completely inexplicable if one does not realize the supreme humiliation which he had been undergoing for the last 20 years. It seems difficult to believe that a man in his position should have shown nothing but despicable and abject characteristics at every moment of climax. Yet in at least three important moments (and no doubt in many more), he had followed a line of conduct which betrayed weakness of character, indecision, and timorous apprehensions for the safety and continuity of his house.

In 1922 he had allowed Mussolini to seize power when, according to all subsequent opinions, such a drastic measure was not at all necessary to save the country from complete anarchy (but probably was necessary to save the house of Savoy). In 1924, after the Matteotti crime, public opinion all over Italy was hot against Mussolini; and though Fascism had already begun to show its teeth, it had not yet installed a true dictatorship (the press was still free). In November a large group of socialists and anti-Fascists in southern Italy, backed by Amendola (socialist leader) were ready to make another "march on Rome" to overthrow Mussolini. Amendola was in continuous contact with the king, who at the last moment told him to keep his men quiet because he, the king, would dismiss Mussolini and call Amendola to form a new government. Amendola reluctantly accepted; but no call arrived, and on January 3, 1925, Mussolini made his famous speech before the Chamber of Deputies in which he abolished the freedom of the press and installed the firm bases of his police state.

Again in 1940, the king not only signed the declaration of war against England and France (a thing which many people had been ready to swear he would never do), but also conferred upon Mussolini the title of supreme commander of all the armed forces—a title which constitutionally belonged only to the reigning king.

In every issue, his behavior had been timorous and despicable, inspired by the prime desire to save his own crown. And yet, the majority of the population was devoted to him, a few people for traditional reasons, and the rest for the very simple reason that they knew he hated Mussolini and Fascism (and that Mussolini knew it). To manifest loyalty to the king was a delightful and safe way of expressing dissidence from Fascism. Only a few realized that it was he who had handed the country over to Mussolini, and that having once cast his die with Fascism, for the sake of wretched prestige and self-respect, he was obliged to preserve and maintain this attitude. And for this latter reason, in June and July, 1943, the king gave his last but one (the last was to be in September) example of total incapacity to place the country's welfare above his own personal apprehensions. A very considerable portion of the responsibility for the disaster of September, 1943, undoubtedly goes to him.

Till now, we have followed the maneuvers of the group Ambrosio—Badoglio—king—to which must be associated many other political and military names. But on the afternoon of July 24, while Badoglio was playing bridge at his home and inviting his friends to return the following day for another game, the Grand Council (the Fascist version of the Chamber of Deputies) was holding a plenary session. And here, too, we see the results of plotting and planning which had been conducted so cautiously that it had led to no concrete result save Grandi's order of the day, about which many members of the council had heard rumors, but which few had actually read. In point of fact, it suggested a vote of lack of confidence in Mussolini and the return to the king of the supreme command of the armed forces. What the actual consequences of voting this order would be—whether to land them in jail or in a ministerial chair, whether really to overthrow Mussolini or merely to admonish him—few members of the council knew or cared to say. And after nine hours of a sweating and tempestuous

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session, Mussolini returned home at two in the morning, having been invited to retire by the majority of his own Fascist council. And here again, not only on his part but also on the part of those who had voted against him, we see an extraordinary, almost unbelievable tendency to be blind to facts, to avoid issues. For on the morning of the twenty-fifth Mussolini was as usual at his office at Palazzo Venezia; he received the ambassador of Japan, and carried on with his work as if nothing had happened. And the members of the council that morning for the greater part did their best to lay low, not to make themselves obvious, in an attempt, as it were, to make believe nothing had happened, hoping perhaps that their incredible audacity of the preceding evening would be forgotten, and everything might miraculously remain as it had been in the good old times.

Meanwhile, the king and his conspirators had been put in a flurry of excitement and fear by the news of this last minute Fascist assembly. Though they knew that the council's intention was to dispose of Mussolini, they feared that its members would then turn to the king to form a new government themselves—having the constitutional right to name a successor to the retiring prime minister. And the king, though he had allowed Mussolini to trample *de facto* upon the constitution for 20 years, was scrupulously observant of its written laws, especially when they allowed him to avoid assuming responsibilities. So last minute measures to patch up a solution were frantically sought; and when Mussolini telephoned to the royal house on the morning of the twenty-fifth asking to be received in the afternoon (to discuss with the king the council's order of the day and to submit it to his approval), the opportunity for his arrest was finally found.

And so things went. Two distinct conspiracies had led to one head, rather to the surprise of both parties involved. Mussolini was placed under arrest at the king's residence at five o'clock on the afternoon of July 25.

The population of Rome had been aware that something important was going on, since the afternoon of the twenty-fourth; groups of people gathered in cafés, at the offices of newspapers, talking, waiting, arguing, excited and tense, occasionally exchanging a punch on the chin or a chair on the head. They waited till 22.45 hours of the twenty-fifth, when a brief announcement over the radio said that the king had accepted Mussolini's resignation and charged Badoglio with forming a new government. Then Badoglio's proclamation was read; he said that the war continued, and that Italy would remain faithful to the engagements she had taken. The following morning, severe measures to preserve public order were announced and, for the first time since the beginning of the war, a curfew was established.

The explosion of joy and relief all over the country on the night of the twenty-fifth and on the twenty-sixth was unimaginable. It was the end of Fascism, the end of Mussolini, and logically, the imminent end of the war. For 24 hours, all the desperate problems of the moment—the Germans, the war, the bombing, the food shortage, the future of Italy—were forgotten. In the smaller, quieter centers, it was like Christmas morning: people met and smiled knowingly to one another and greeted friends and strangers with a mutual understanding of secret, intense joy. And some people scarcely dared to speak their joy out loud, so long was the habit of self-control, so inveterate the fear of reprisal.

In Milan and in other large centers, the people ran amok. It was one grand carnival, with dancing in the streets, bonfires, Fascist emblems torn down, and portraits of Mussolini trampled on. The houses of Fascist officials were invaded by turbulent crowds which, upon finding well-stocked larders and cellars full of hoarded goods, emptied them with howls of scorn and anger. "They made us go hungry and put us in jail for smuggling a pound of butter, and look here what they had! No wonder *they* could carry on the war!"

Of course, there were some disorders, and a few Fascists were captured by the mob and killed. The few desultory attempts at resistance on the part of Fascists lodged in party seats or in militia barracks were soon dispersed by troops, at times with the help of tanks. Their resistance was principally due to personal fear of the mob. Then some Fascists changed tactics, and lodged themselves on the

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roof or the upper stories of the houses, occasionally shooting down on the people in the streets; it was rather embarrassing because a few shots eventually attracted a contingent of troops, who began shooting up at the snipers from the street. And the circulation was blocked till the snipers ran out of food or ammunition, or were dislodged. The population, which was already inured to bombing but not yet to shooting in the streets, again showed a remarkable capacity to remain calm in the face of exceptional circumstances. Women with market baskets on their arms or girls on bicycles would dart from one doorway to another between the volleys or random shots, as if going about their business amidst a few flying bullets had been an age-old habit.

Practically all the factories, especially in Milan, stopped work at least for one day; officially, it was a holiday. But on the morning of the twenty-seventh, the joy of the crowd spent itself, and the people began to wake up to realities. What should have been one holiday merged into covert, then overt, strikes. "White strikes," as they called them, in which the workmen went to the factories but did not work: virtually, an occupation of the factories. Some were dispersed by troops with tanks. Mass parades of protest were then organized. The workmen demanded the immediate elimination of all Fascists from office, and the immediate conclusion of the peace. Badoglio's declaration that "the war continues" and that "Italy would remain faithful to her engagements" caused much discontent and suspicion in the masses, even if they did realize that such an attitude was necessary, at least officially, to keep the Germans quiet. They remarked that after all Badoglio had been Mussolini's chief of staff for many years, that he was only another Fascist, that the evident conclusion of the change of government must be an armistice. Everybody knew that there were only a few Germans in Italy and that Germany was having a hard time—Hitler refused to send help to Mussolini. If Badoglio didn't hurry up, there must be a new revolution, a people's revolution. Class strife began to take hold; the masses felt free and powerful, and yet in the throes of a situation they had not wanted, dependent upon a man they distrusted.

The *Corriere della Sera,* Milan's most important newspaper, came out in the first days after the change of government in a very revolutionary, pre-Fascist style, with articles not only of violent contempt for Fascism but criticism of Badoglio and his moves. Then for one day it did not appear; the editor had been called to police headquarters and severely reprimanded for the "communist" tone of his paper. After this, it appeared with large blank spaces with "censored" written across them. The reasons for this were two: first, the king had notified Badoglio that to express too great disapproval of Fascism was displeasing to him (in point of fact, an insult to him who had supported Fascism for 20 years); second, Badoglio and his clique were terrorized at the idea of a mass insurrection, and outspoken criticism of the government on the part of an authoritative and independent newspaper could only encourage the masses in their discontent.

In the first few days of his government, Badoglio called for a meeting of the leaders of the left-wing parties and entreated them to keep their components from acts of violence which would only provoke the Germans into untoward reactions. The Germans, he added, were extremely suspicious of this new development in Italy, despite Badoglio's official assertions of loyalty and despite the fact that for internal usage in Germany the event had been minimized into a retirement of Mussolini for reasons of health. But he, Badoglio, was doing his utmost to lead the country to the peace it needed so desperately, and if he was not frustrated by untimely revolts which gave the Germans the impression he could not control the situation, he hoped to be successful. Undoubtedly, the situation *was* extremely awkward.

So the leaders of the left-wing parties reluctantly agreed to mollify their restless workmen, being none the less fully convinced that a bourgeois—and a general—such as Badoglio would inevitably make a mess of things. And the masses, impatient for peace, distrustful of their governors and of the king, but accessible to reason and common sense, reluctantly agreed to wait and see. But Badog-

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lio, to help pacify them, was obliged to take those measures against Fascists which he and the king had at first appeared unwilling to take: the council of ministers was suppressed, the Fascist Party dissolved, Fascist prefects were removed from charge, political prisoners of the Fascists were freed, profiteers of the past regime were prosecuted, and the militia was incorporated into the Army.

This last step, though to some people it appeared to be the only possible course, was most unwise. The Italian Army, in the beginning of August 1943, was a thoroughly demoralized, humiliated, tired, and beaten group of men. The common soldiers and the lower ranks of officers, after three years of a losing and hated war, of privation, discomfort, and danger for their families, had lost not only whatever little impulse to fight they may have ever had, but also, in the last months, any real sense of military duty and discipline. Their one preponderant desire was to quit the whole unlovely venture, forget it, and return to their homes. To incorporate the Fascist militia into their ranks (on top of Badoglio's declaration that the war continued), meant increasing their sense of tired disgust in the general trend of events, still further diluting their sense of cohesion and discipline, and creating distrust for their superiors and the government. (To this must be added the fact that from time immemorial in Italy high ranking officers and especially generals of the army have the reputation for being particularly incompetent, muddle-headed, egotistic blunderers. Save for rare exceptions, the reputation is wholly deserved; and certainly these were not the men to deal successfully with the awkward new situation). It is true that the Fascist militia was not composed entirely of convinced Fascists; but there still were a few—even in August, 1943—among their ranks. The rest were perhaps even more obnoxious: unscrupulous opportunists who now realized they were thoroughly compromised and would seize the first opportunity to turn the tables to their personal or collective advantage.

Meanwhile Badoglio was in a fix. He was, above all, paralyzed in every move by his fear of the Germans. The Germans were suspicious and distrustful of the new state of affairs. Since 1941 they had been seeping into every military and political key point. After having refused help to Mussolini less than a month before, they were now sending mass reinforcements to Italy—something like 20 divisions arrived during August. As a punishment for the Italians' audacity in dismissing Mussolini, they had suspended supplies of coal from Germany and wheat from Rumania. Ambrosio (chief of staff), who appeared to be the only energetic man in Rome in those days, sent a mission to Lisbon on August 12 to negotiate an armistice with the Allies. Though Badoglio was, of course, informed of and agreeable to this mission, he had not even received its chief component, Castellano—again for fear of the Germans. The instructions with which Castellano started for Lisbon were extremely incomplete and approximate. Everything was done in secrecy, in an atmosphere of haste and terror.

The Allies, somewhat inopportunely and very unhumanely, chose this period to launch the most vicious and extensive air attack of the war on Italy. All the bombing of the preceding fall paled in comparison to the punishment meted out to the principal cities of Italy. Churchill had practically announced that Italy would be put to hell-fire if she didn't hurry up and make the peace. But the hell-fire (the terrible heat, the dust, the ruins, no water or food, no jobs or money, death, anguish, the stench of unburied corpses) descended as usual upon the backs of the masses, whose only desire was peace at all costs. But they were not only powerless to obtain it directly but they had agreed to curb their very comprehensible tendency towards revolt and violence, precisely in order to help their government obtain the desired peace. (May I be forgiven if I condemn those bombings violently. I saw Italy during those months, saw her plight and her sorrow, and saw where the responsibilities lay. If the original responsibility of the Italian disaster in 1943 lays largely in the hands of the Fascists, the king, and the wavering, timorous incompetence of the Badoglio government, still Italy could have been saved immense sorrow and destruction, to the inestimable advantage of the Allies, if on the part of the Allies there had not been some gross mani-

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festations of inconsiderateness, incomprehension, and a total incapacity to judge and take into account the true conditions, desires, and tendencies of the people of Italy).

Castellano's first contact with the Allied officers credited to negotiate the armistice took place at Lisbon on August 19. And here again, as in all the pitiful story of these negotiations and of their conclusion, incomprehension, suspicion, and foolish blunders on the part of the Allies helped to condemn Italy to 18 months of horror. Not to speak of the 18 months of grim warfare, and the thousands of American and British lives, that could have been spared. Italy's plight, which Castellano had come to tell the Allies, was extremely simple: she had, by hook or by crook, got rid of Fascism (against which the Allies had proclaimed they were waging the war, and *not* against the people of Italy), and she now wanted to make peace, she *must* make peace at all costs. But she was in the grip of the suspicious Germans who with highly efficient troops and Gestapo were watching her every move. What more obvious conclusion than that Italy should ask the Allies to help her throw out the Germans, and that together they should make plans for a concerted action to this end? But the Allies' answer to Castellano's entreaty was: no negotiations and unconditional surrender—the unconditional surrender that Churchill and Roosevelt had proclaimed at Casablanca eight months before. Castellano pleaded, implored, stressing the terrible and useless consequences of this refusal to make plans together. He got no response, save "unconditional surrender."

Before he could bring this disconsolate news back to Rome, six days went by; because officially (for the Germans) he was in Lisbon to meet the Italian diplomatic corps repatriated from Chile. It did not arrive until the twenty-third. On the twenty-sixth, Algiers was already waiting for communications from Rome, but Castellano did not arrive in Rome until the following day. Three days of intense and dramatic discussions followed, and on the thirtieth Rome communicated to Algiers that Castellano would go to Sicily to accept the armistice if the Allies would promise a landing north of Rome. The day after, in Sicily, Castellano heard the same story: the Italian government must say yes or no, put no conditions. Of course the Allies would eventually land on continental Italy, but they would not tell the day nor the place of the landing, nor the day in which the armistice should be announced by Algiers' order. A few officers hinted that perhaps ten divisions would be used for the landing, that Rome would be surrounded and protected by paratroops, that the probable date of the announcement of the armistice would be September 15.

With this meager data, Castellano was back in Rome on September 1. More and more dramatic discussions took place. The Germans were becoming ever more arrogant and oppressive, the more so because for over a month they had been bearing the brunt of the Allied attack alone. If the Italian soldier had always fought unwillingly against the Allies, he had virtually declared an individual armistice since July twenty-fifth and stopped fighting completely. He just didn't want any more of this nonsense. The Germans were, of course, aware of this.

The same day what remained of the Italian G.H.Q. issued secret orders to what remained of the Italian Army about what to do in case of an armistice. But here again, for fear of spies—Germans, Fascists—who were ubiquitous as air, the orders were mitigated and confused: "action" (the nature of which was not explained) was to be taken only "if provoked," and the impression was given that the armistice would be proclaimed around the fifteenth.

On September 2 Castellano was back in Sicily, ready to sign the armistice. When Eisenhower and Alexander were already on the way, he was asked if he had full powers to sign in the name of his government. Castellano had no way of showing that he did have these powers, and this provoked the anger of the Allies—who were as pitifully afraid of being double-crossed by the Italians as the Italians were of being spied on by the Germans, the latter, however, with more substantial and dramatic reasons. There was a new delay: a message was sent to Rome for confirmation of Castellano's powers, and, with the disorganization which was rampant in Rome in those days, the reply did not arrive till 16.30 hours of the third. For twenty-four

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hours Castellano was regarded as a leper and treated as a prisoner. That night, Italy was severely bombed. At 17.30 hours of September third the armistice was finally signed. The same day, the Allies landed on Calabria, 450 miles south of Rome, and again that night Bologna, Trento, Bolzano, and the surroundings of Naples were heavily bombed. Still the Allies refused to say when the armistice should be announced, when and where they would land; "we will give instructions to Rome," was their only commitment.

They modified this conduct somewhat in the following days, in so far as to send a military mission to Rome to study the possibility of landing paratroops around the city. As luck would have it, Ambrosio was not in Rome that day, and the American officers got in contact with Carboni, then chief of the Italian Intelligence service and general commander of all the motorized divisions. He appeared to be precisely the prototype of what popular fancy in Italy contemptuously calls "a general": wavering, timorous, uncertain, egotistic. When it would still have been possible to organize at least a proper defense of Rome, Carboni shirked the issue and told the Americans that all the airfields in the surroundings were in German hands, that he had no gasoline to supply the troops once landed—both things, it seems, were not true. Another man in his place could have saved Rome and a bit of Italian prestige, but Carboni revealed himself to be a wretched failure. The Americans left Rome on the sixth with a fully justified sense of disgust at the disorganization of the Italians, and the idea of the paratroops was abandoned.

According to what Badoglio and Ambrosio believed, there was still more than a week left in which to plan and organize their moves for the climax of the armistice. They did not know when or where the Allies would land, could count on no assistance from them, and disposed only of a wretched, disorganized, and demoralized army. But it was an army which had been itching for years to fight against the Germans, and even in this eleventh hour it would have been possible to send out precise, energetic orders which might still have turned the tables and saved Italy. It is, of course, impossible to know what would have happened if Badoglio and Ambrosio had had that extra week available. But it is highly probable that, since no concrete plan and no precise orders had been drawn up and issued on September seventh, none would have been for September fifteenth.

On September eight, while the German headquarters at Frascati near Rome were being heavily bombed, Badoglio received news from Algiers that the armistice was to be announced within an hour or so. And at 19.45 hours the news was broadcast over the Italian radio; the only hint of a disposition to the public at large and the bulk of the army was contained in these words: "the army will resist any attack from any quarter."

During that night and the following day, the official milieux in Rome were borne up by the extraordinarily puerile illusion that the Germans would accept the inevitable and retreat from Italy. At the first light of dawn on the ninth, Carboni and other generals were seen in civilian clothes—symbolizing the desire of the entire Italian Army, but in a somewhat untoward moment. At 5 o'clock, the king, Badoglio, Ambrosio, and other members of the government left Rome, not to be captured by the Germans, said the king, and in order to preserve a government to guarantee the armistice, said Badoglio. They went to Pescara, where they were picked up by a unit of the Italian Navy and taken to salvation. Till the last minute, it appears that Umberto, crown prince, protested that they should not go, and that he in any case wanted to remain. But the king was adamant in his decision.

The question whether a government should flee before the invading enemy to fight him better from another country, or remain to share the fate of the people, is a delicate one that we surely cannot solve here and now. But that in such a situation, which could have been easily foreseen for 40 days or more, the entire government should clear out of the capital at 5 o'clock in the morning without leaving one single responsible member or one single sensible order, is a gesture that needs no comment.

Actually, in Rome on the ninth of September, nobody had the slightest idea what to do; the few people who might have been in a

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position to assume command of the situation had received no orders or instructions from the government. Each made some attempts to do something, each approaching things from his own viewpoint and considering the problems with which he had closest contact. The meager result was a maze of contradictory and absurd orders to whatever troops they could still command, moving them aimlessly from one point to another, which exhausted their reserves of gasoline and removed them from their stocks of food and ammunition.

During that day, Carboni and Calvi made their first approaches to the German headquarters. Kesselring, of course, encouraged them in the belief that the Germans' one desire was to retreat northwards unhampered by the Italian troops (episodes of spontaneous fighting on the part of groups of Italian soldiers were already breaking out everywhere); and that Rome would be left an open city if the Italians would promise to disband the entire army and prevent any episodes of revolt. Meanwhile, not only the soldiers but the people all over the country were becoming extremely bellicose towards the Germans; in Rome workmen sacked the abandoned barracks for guns and ammunition and began organizing resistance in party seats and elsewhere. The apparent imminence of the arrival of the Allies fired them with the desperate hope to be able to keep the Germans at bay for at least a few days.

Kesselring's proposal was discussed on the night of the ninth and tenth, and finally at 7 o'clock in the morning Carboni accepted it. But at the last minute Kesselring changed the conditions: the German high command was to be in Rome. The Italians must accept this and the other conditions before 16.00 hours, otherwise Rome would be bombed and the city's aqueducts blown up. (It must be remembered that for the last two years food had been particularly scarce in Rome, and that the surrounding land is barren. Bombing and no water meant disaster and famine for more than a million people).

In the first hours of the afternoon, German troops began entering the city, and fighting was going on in the streets as well as outside the town. It was a tragic dilemma for the men who had assumed the last-minute responsibility. Finally, at 15.30 hours a messenger was sent to Frascati to accept the German terms; he found the roads blocked by German troops, and arrived only an hour later. Here he was coolly told that it was too late, that a squadron of German bombers had already left Viterbo to bomb Rome. The Italian envoy (Giaccone) frantically insisted that since the government accepted the terms, Rome must be saved. At length the German officer lazily attempted to get in touch with the squadron, and finally did give the counter orders. Rome was safe. But safe in German hands. Later in the day, Calvi went to Frascati to fix the particular clauses of the agreement: each and all of these were violated by the Germans within a few hours.

It is very easy to criticize and to condemn, from the heights of retrospective wisdom, the gestures of men and bodies in critical moments. And, as always, nobody is ever completely right or completely wrong. Still, in the total bungling of the Italian situation from May to September 1943, a few direct and direful responsibilities can be detected. None of these went to the mass of the Italian people, and some, in the last two months, went to the attitude of the Allies. With clear, realistic thinking and determination on the part of merely two or three responsible Italians, and with less diffidence and distrust (and a better informed Intelligence Service) on the part of the Allies, it would have been perfectly possible to free the greater part of Italy from the Germans at the moment Mussolini was overthrown.

Try as hard as he could, the British comedian's jokes were falling flat. At last he lost his patience.

"Blimey!," he exclaims bitterly. "You people don't seem to know when to applaud. Why don't you clap? Are you all handcuffed?"

"Handcuffed!," came a bored voice from the pit. "Why, you haven't even arrested our attention yet!"—*Labor*

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The constitutional
museum piece

REFORM THE ELECTORAL COLLEGE!

By LAFE FRANKLIN ALLEN

Washington Correspondent

CAPITOL HILL debate on Senator Henry Cabot Lodge's proposal to revamp our method of choosing Presidents serves as a pertinent reminder that aside from catching cocksure pollsters and pundits off base, the election last November ripped the veneer right off that quaint constitutional museum piece—the electoral college.

Laid bare so all could see were the structural weaknesses of our archaic plan of naming the nation's chief executive. Streamlined as a stagecoach, at least two glaring imperfections in the Presidential electoral system loomed menacingly in the gray dawn of November 3:

1—Tom Dewey might have won the Presidency with a majority of the electoral votes, a minority of the popular votes.

2—The election might have been thrown into the House of Representatives—with the Dixiecrats holding the trump cards—because no candidate received a majority of the electoral votes as required by Article II of the Constitution.

In addition to these disquieting possibilities, the constantly reiterated pre-election threats of southerners to withhold their state's electoral votes from Harry Truman brought into focus another anachronistic aspect of the electoral system—Presidential electors are legally free to cast their ballots for whom they please. A majority of the 531 electoral college members who gathered in the various state capitals last December 13 to choose a President of the United States could constitutionally have voted for Governor Dewey, Strom Thurmond, or Joe Blow. Their obligation to vote for President Truman was a moral one only.

How did we get saddled with such a system in the first place? When the 55 Founding Fathers met in Philadelphia during the steaming summer months of 1787 to hammer out the Constitution, they had to reconcile many divergent points of view. The method of choosing the nation's Chief Executive was particularly vexing. After rejecting the concept of popular election of the President because they feared an uninformed electorate, the delegates hit upon the unhappy idea of an electoral college.

This college, whose members would be appointed by the various states, was conceived as a "council" of the ablest men in the country, free to elect a President after mature deliberation and reflection. But this "council" idea has never worked out, primarily because of the rise of political parties. Electors were pledged in advance to one or another of the national tickets. The electors became a rubber stamp—and an inaccurate one at that. As early as 1796, the remark of a wrathful Federalist voter revealed how far the electoral college idea had drifted from the course charted for it by the Founding Fathers. One Samuel Miles, supposedly a Federalist elector from Pennsylvania, voted for Thomas Jefferson, Federalist John Adams' opponent. Protested the outraged voter: "Do I chuse Samuel Miles to determine for me whether John Adams or Thomas Jefferson shall be President? No, I chuse him to act, not to think."

No matter whether the Presidential electors

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act, think, or do both, they're not going to make a silk purse out of a sow's ear. As Senator Estes Kefauver, of Tennessee, put it, the electoral college system, far from being an instrument of liberation, is itself an instrument of tyranny.

Thanks to an electoral method by which it is mathematically possible for a President to get a majority of the electoral vote with only 22 per cent of the popular vote, three American Presidents have taken office who had a smaller popular vote than their nearest opponents. In 1824 Andrew Jackson led John Quincy Adams by about 50,000 votes out of a total vote of 460,000. But because he lacked a majority over his three opponents (Adams, William H. Crawford, and Henry Clay), the election was thrown into the House of Representatives. The situation invited intrigue and Henry Clay was quick to accept the bid. He threw his support to Adams, who won on the first ballot in what was regarded widely as defiance of the popular will. Clay was rewarded handsomely by an appointment to Adams' cabinet as Secretary of State.

In 1876 Samuel J. Tilden polled a quarter million more popular votes than Rutherford B. Hayes but he was still nosed out by one electoral vote. Uprising and possible violence were narrowly averted in this election.

In 1888 Grover Cleveland got 100,000 more popular votes than Benjamin Harrison, yet he was defeated by an electoral count of 233 to 168. So close was the race in New York that if the 6,502 persons who voted for Harrison had switched to Cleveland, the latter would have won the national election 204 to 197. This brings us to the most insidious part of the present system, the practice by which a candidate who gets the most popular votes in a state takes all that state's electoral votes. Consider the last election. Truman's 30,000 popular votes in Nevada, which he carried, netted him three electoral votes. But the President's 2,780,000 votes in New York—nearly 100 times as many as he got in Nevada—added up to a big fat zero in the electoral vote column because Dewey carried the state. New Yorkers who voted for Truman were in effect disenfranchised, their votes given to Dewey.

This "winner-take-all" practice not only encourages organized minority groups in pivotal states but stimulates reckless partisan appeals for the votes of these small groups which, as Henry Wallace proved conclusively in New York, can spell the difference between victory and defeat. In 1884 Grover Cleveland beat James G. Blaine in New York by only 1,083 votes. A change of less than 600 ballots would have thrown New York's entire electoral vote to Blaine, which would have been sufficient to give him the Presidency. In a report issued during the eightieth session of Congress the House Judiciary Committee observed:

"Should a similar situation again arise, as well it might, the Communist Party in the state of New York alone could determine who was to be President of the United States." The Committee report, approved unanimously by its Republican and Democratic members, added significantly:

MINORITIES

"The electoral college system places unreasonable and unconscionable burdens and temptations upon a Presidential candidate to woo and often to kowtow to the organized minority votes in the big pivotal states. These votes are often, in effect, up for sale to the highest bidder, an overweening temptation for political corruption. The political strategists in his party are constantly urging a President to extend undue favors and consideration to these politically potent groups to whom he probably owes his election. No President should be subjected to such pressure or to such temptation."

Normally no party hopes to win the Presidency without the 47 electoral votes of New York—Harry Truman notwithstanding. As a result, doubtful states with big electoral votes get the most attention from the parties, the most nominees, the most political favors. Between 1800 and 1948 there were 38 Presidential elections. In 31 of them, one or more of the four candidates of the two major parties were from New York. Counting the 20 elections back to 1872, only in 1896 did New York fail to have one or more of the four places.

Conversely, states which either political party counts in the bag are usually ignored

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by the king-makers. Despite the fact that from 1876 onward the greatest source of Democratic leadership and support came from the Solid South, not until 1928, with the nomination of Senator Joseph A. Robinson of Arkansas as Vice President, did this section receive any recognition on the national ticket. By the same token, Pennsylvania, which for three-quarters of a century following the Civil War never wavered in its G.O.P. loyalty, got not a single Presidential or Vice Presidential nomination. Generally speaking, able and courageous leaders from small states or large states whose support is constant find themselves "also-rans" in the race for top spots on a national ticket.

Finally, the present electoral system exaggerates the margin of victory, thereby conveying the impression of a landslide and its accompanying mandate which frequently don't exist. In 1928 Al Smith polled 16 per cent of the electoral vote, 41 per cent of the popular vote. Four years later Hoover received 11 per cent of the electoral vote but 41 per cent of the popular vote. Hapless Alf Landon's electoral total was a miserable 1½ per cent, but his popular vote was a comparatively respectable 38 per cent. Willkie got 15 per cent of the electoral vote, 45 per cent of the popular vote, while Dewey's 1944 electoral score was 19 per cent as against his 46 per cent of the popular votes. In last November's election only 4.4 percentage points separated the total popular vote of Truman and Dewey. But the percentages of electoral votes they polled were 57 per cent and 36 per cent respectively.

Luckily for Americans who want the office of President to mirror the good features of a democracy and not the bad, there is an out: amend the Constitution. But to do this the people must light a fire under their tradition-bound representatives in Congress. They then must get behind the amendment in their respective states to insure that it wins the requisite ratification from at least 36.

This job isn't so herculean as it seems at first blush. The groundwork is laid, the spadework done. As far back as Andrew Jackson, who had every reason in the world to inveigh against the electoral college system after he was euchered out of the Presidency in 1824, many public officials have long urged a change. The late Senator George Norris saw the political iniquity inherent in our electoral college and included its abolition in his Lame Duck amendment. His less enlightened colleagues refused to countenance any tampering with the antiquated scheme, presumably on the assumption that what was good enough for George Washington (it really wasn't) was good enough for them. Clarence F. Lea, California's veteran congressman who retired last year after 30 years of distinguished service, made reform of the Presidential electoral system one of his major goals in and out of Congress.

GROUNDWORK

For the last several sessions of Congress, Representative Emanuel Celler, chairman of the House Judiciary Committee, has introduced constitutional amendments to bring up to date our method of choosing Presidents. During the famous (or infamous, depending upon whose political ox was being gored) Eightieth Congress, both the House and Senate Judiciary Committees approved by overwhelming majorities a proposed constitutional amendment introduced by Senator Lodge and Representative Ed Gossett, Texas Democrat, which would have abolished the electoral college and otherwise improved the Presidential electoral system. This measure died in the rush for adjournment but was reintroduced early in the current session of Congress. Ten of Lodge's colleagues in the Senate, including Senator Kefauver, who as a former Representative in Congress was a leader in the movement to abolish the electoral college for many years, joined with the Massachusetts Senator in a bipartisan onslaught on the outmoded electoral college plan. The other sponsors were Senators McCarran, Fulbright, Hoey, Sparkman, Stennis, and Neely, all Democrats, and Smith of New Jersey, Morse, and Flanders, Republicans.

In reintroducing his constitutional amendment, Lodge pointed out that a switch last November of 100,000 votes in Illinois, Ohio, Wisconsin, Iowa and Nevada would have delivered the Presidency to Dewey, although Truman's plurality would have been around

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2,500,000. He added that a transfer of only a few thousand votes in as few as two states [e. g., 3,554 in Ohio and 8,933 in California] would have denied Truman a clear majority of the electoral vote, throwing the election into the House of Representatives despite his popular victory.

"This would have left the country uncertain as to who would be President," Lodge said, "until the new House of Representatives made its choice, with state delegations voting as a unit so that each state would have only one vote. Not only would this have created grave uncertainty, unrest, and confusion, but might well have been disastrous because of the delicate international situation."

LODGE-GOSSETT BILL

Here, in a nutshell, is the way the Lodge-Gossett amendment would overhaul our Presidential electoral laws: the electoral college would be abolished, the electoral vote retained. Each state would keep the same number of electoral votes as it has Senators and Representatives. This is a sop to the smaller states, 13 of which could block any constitutional amendment. There would be no reason for throwing an election into the House of Representatives because a candidate wouldn't be required to have a majority of the electoral vote—just a plurality. Electoral votes would be divided in exact ratio to the popular vote. This is the keystone of the proposed Presidential electoral structure.

"Short of a direct popular election of the President, the proposed amendment comes as close as possible to reflecting exactly the will of the people," said Senator Lodge, who gave up the idea of a nationwide popular vote for the practical reason he did not believe the small states ever would ratify such a constitutional amendment.

If Lodge's scheme of proportional division had been in effect last November 2, Dewey would have received 21.6 electoral votes in New York, Truman, 21.2, and Henry Wallace 3.9. As it turned out, Dewey got all 47. The shoe was on the other foot in California, where President Truman eked out a victory over his rival by some 18,000 votes, thus taking all the state's 25 electoral votes. But had the votes been apportioned on the basis of the popular vote cast, Truman would have gotten only 11.9 electoral votes; Dewey, 11.8; Wallace, 1.2. Dividing the national electoral vote on the basis of the popular vote, here is the way the four major candidates would have wound up: Truman, 258; Dewey, 221.4; Thurmond, 38.6; Wallace, 9.4. As it was Truman got 303; Dewey, 189; Thurmond, 39; Wallace, 0.

A particularly noteworthy effect of the Lodge-Gossett amendment would be to extend the two-party system to the Solid South. Citizens of Mississippi and Alabama would be treated to the unusual spectacle of a Republican Presidential candidate stumping their states. (And, too, they might even get to see a Democratic Presidential hopeful!) Democrats would invade those rock-ribbed bastions of G.O.P. support, Maine and Vermont. Sleuths of both parties would track down voters where it had never paid them to go before. Everybody's vote would count come election day, as it should in a democracy.

It is highly significant that southerners themselves are in the vanguard of this movement which would bring a genuine two-party system to the South. Joining with Lodge in introducing his amendment in January were Hoey, of North Carolina, Sparkman, of Alabama, Stennis, of Mississippi, and Kefauver, of Tennessee. And Representative Gossett is a Texan. The political complexion of these southerners range from conservative to liberal.

Heard in Washington as one compelling reason for southern support of Presidential electoral reform is the realization that the South, like New England, has suffered from the one-party system. A two-party system in the South would force northern Democrats, who have now captured the party, to give more consideration to their brothers south of Mason and Dixon's line. Some southerners think, too, the civil rights issue was rammed through the Democratic convention last Summer to woo the votes of minority groups which held the balance of power in northern states. Under the Lodge-Gossett amendment such minority groups would not

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be able to swing a state to one party or the other by its votes since the electoral vote would be divided on an exact ratio with the popular vote. Hence, reason these southerners, future conventions would not be tempted to flout the South on touchy issues like civil rights—especially if by so doing, Republican chances for victory were thereby enhanced.

Lewis Meriam, vice president of the Brookings Institution, sums up the reasons why his organization favors the Lodge proposal:

1—It will practically eliminate the chance that a President will receive a majority of the electoral votes despite the fact that his opponent polled a majority of the popular vote.

2—It will eliminate the chance of the election of a President being thrown into the House of Representatives.

3—It will practically remove the chance that small minority groups can attain and exercise great power over Presidents, Presidential candidates, and political parties because they hold the balance of power in pivotal states. These minority groups will have no power beyond that justified by their numbers of voters in a Presidential election.

4—In the selection of candidates for the Presidency and Vice Presidency the parties will be concerned with the capacity of the persons chosen to command the support of voters throughout the nation and not upon their capacity to carry certain pivotal states or even big cities. Able men from small states will not be handicapped as they are at present.

5—Sure states will no longer be neglected as they are at present both in nominations and in campaigns because a substantial minority vote in these states will result in electoral votes for the candidate of their party. Voters opposed to the dominant party in their respective states [e. g., Republicans in Georgia] will be encouraged to work and vote for their candidates, because their work and votes may actually affect the results. Their votes will be cast and counted for the candidates of their choice and not thrown away as under the present system.

Powerful bi-partisan support from liberals and conservatives of both parties has been assured the Lodge-Gossett amendment. A majority of the present Senate has already gone on record for reform of the electoral system. Early in April the Judiciary Committee of the House of Representatives reported favorably on the bill. Leading newspapers have given the measure their editorial blessing. But whether the bill gets the necessary two-thirds vote of approval in both houses of Congress depends in the last analysis on how much pressure is brought by Americans at the grass-roots level. Representative Gossett says we elect the most important officers of our government through a "hocus-pocus method" called the electoral system. He adds:

"We vote for electors who in turn, through a dubious, confused, and technical procedure, vote for one of the candidates for President. The votes of millions of our citizens do not count in the final tally."

And Senator Lodge minces no words in summing up the need for change:

"The present system is neither fair, honest, accurate, certain, nor democratic."

The number of war memoirs in the spring booklists indicates that the generals are still ready to sell their lives as dearly as possible.—*Punch* (London)

Two hollow-eyed, bleek looking Scots were discussing a wild party they had attended the night before. "D'ye ken," said one of them, "that Mac fell in the river on his way home last night."

With some effort the other Scot focused his thoughts upon this dreadful intelligence.

"Ye dinna mean tae say he was drooned?" he inquired fearfully.

The other shook his head, slowly and painfully, "Na, Na," he replied, "not drooned,—but sadly diluted!"—*Wall Street Journal*

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The city managers take over

Revolution in Maine

By DAVID L. GRAHAM

OUTWARDLY calm and conservative, the state of Maine is nevertheless being swept by political change—a fundamental change in the structure of her government. Nowhere is America's latest and most efficient form of municipal administration, the council-manager plan, catching on faster. No other New England state remotely approaches Maine in her fervor for the plan. Odd as it may seem, cautious, conservative, tradition-dedicated Maine leads the 48 states in the number of communities that have adopted this streamlined, ultramodern form of democracy.

Not only has Maine quietly and unostentatiously outdistanced such "progressive" states as Michigan, Texas, and California, which trail the Pine Tree State in that order, but more than half its citizens now reside in council-manager municipalities. In one county —Aroostook of potato fame—5/6 of the population is so governed. Whether Maine's largest city, Portland, is administering a budget in the millions or the town of Orient (population 147) has to bury a dead cat, it's now up to the manager.

Maine people admire a person who can do anything, and they especially like to have him work for them. These managers in most Maine towns do everything and anything. That is how the council-manager plan has been sold to nearly a hundred communities of shrewd, tight-fisted, down-to-earth Yankees. Why have a lot of semiprofessionals messing around in town affairs when you can hire one expert to do the whole job?

There are several reasons for the overthrow in Maine of the traditional forms of local government, but the first one mentioned by people who are supposed to know is a man. From Portland's showy chateau of a city hall to the lovely black mud of far-off Aroostook farms, one explanation you invariably get is "Hormell!" Who has been the chief factor in bringing the council-manager system to Maine? "Why Hormell—Orren C. Hormell—the professor over to Bowdoin College."

Professor Hormell, Hoosier born and educated, took his Ph.D. at Harvard. He came to Bowdoin in 1911 and still bubbles with energy and jest. "Now get this," he likes to admonish a class, stabbing the air with his first and fourth fingers, "this is good, this is *mine!*" Jovial and pink-cheeked, "Hormy" brought just the right mixture of midwestern punch, scholarly zeal, and good-humored patience to have the maximum influence among Maine's conservative but shrewd and practical citizens.

Years ago Hormell organized Bowdoin's Bureau for Research in Municipal Government. More than 10,000 books, pamphlets, and similar items have been assembled to train students and to provide information for Maine people who might want to study and improve their state and local governments. It was Hormell who in 1917 drafted a charter for Maine's first council-manager municipality, the City of Auburn. Since then he has been consulted hundreds of times, drawn up dozens of charters for politicians to chew on, addressed endless committees, taught generations of Bowdoin students, and produced numerous studies on all phases of Maine government.

Maine, as Professor Hormell has written, is pre-eminently a state of towns, or "little republics" as someone has called them, often hard-pressed financially but touchy about local sovereignty. Maine has few cities, and communities of only a hundred or so in-

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habitants have "town" governments. The supreme authority in the towns is, of course, the town meeting, where every adult citizen has the right to speak and to vote. No legislaive body is more truly democratic and inspiring than the town meeting, providing the town is not too large nor the majority of citizens indifferent. (When only a small fraction of the voters can, or will attend town meeting — as is not infrequently the case nowadays—the system breaks down. And this circumstance, too, has contributed to the present interest in council-manager plans.)

PRECEDENTS

Since colonial times the towns have elected three selectmen to administer town affairs, together with such other officers (depending on the size of the town) as road commissioner, treasurer, tax collector, overseer of the poor, whose numbers and overlapping duties are bound to hamper their efficiency. The selectmen have the top administrative authority but are poorly paid and part-time officials only. In recent years they have been giving more and more time to town affairs for, relatively, less and less money. Good men, consequently, have been harder and harder to get. The complexity of government, even local government, has been increasing; and under the pressure of (1) the depression, and (2) the post-war inflation, fewer and fewer towns feel they can afford the traditional system with its divided administrative responsibility, its wasteful duplications, its day to day improvisations, and its political frauds. By 1930 only four Maine towns and cities had adopted the council-manager plan. But the depression touched off a chain reaction—by 1940 some 18 more had come in and now there are 94, comprising most of the larger cities and towns in the state. This year even Brunswick, which is Professor Hormell's home town, finally voted for the plan.

As a matter of fact, the council-manager plan is a natural for Maine municipalities. The towns and a few cities make up the only important subdivisions of the state—except for judicial purposes, the counties have practically ceased to exist. This governmental set-up makes the transition technically easy, and by 1930 the time had come. The form, too, was not so new; for some time the statutes had permitted the selectment of a town to hire an "agent" to handle their duties for them, and many towns had done this. It has likewise long been possible for a town, when financially exhausted, to turn itself back to the state. Under the Emergency Municipal Finance Board, the State then appoints a "commissioner" to manage the town's affairs. (Some of these "commissioners" are now running three or four small communities.) From "agent" or "commissioner" to town manager is only a step.

The town manager, as Professor Hormell has been explaining for 30 years, gives the town a single, responsible administrator—in place of the divided, part-time authority of the old selectmen. The town meeting continues, of course, to legislate and determine policy. The selectmen, usually increased to five or seven in number, are retained at nominal salaries to select and supervise the town manager. The selectmen (or city councilmen) hire the manager, not for his personality or need of a job, but for his ability to reduce municipal costs and to improve municipal services. If he fails in this, if he is corrupt or dictatorial, the selectmen can fire him. (In most towns the manager can be fired "for cause" at any time; a few towns have, contrary to the theory of the system, given their managers contracts.) If the citizens are dissatisfied with a manager and the selectmen won't fire him, they can elect selectmen who will. So much for the charge that the council-manager form of government is undemocratic.

Until 1939 Maine towns wishing to adopt the council-manager system had to get a charter from the state legislature; sometimes this was slow and unsatisfactory work. In that year, after consulting with Professor Hormell, the Legislature enacted the Town Manager Enabling Act. This law enabled the towns to vote in a manager at any town meeting and to vote him out at any special town meeting held at least 60 days (90 in the case of towns sharing a manager) before the annual town meeting.

An affirmative vote on the two following articles (wording suggested by the Maine Municipal Association) makes it legal:

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"1. To see if the Town will vote to employ a town manager under the provisions of chapter 130 of the Public Laws of 1939 and to instruct the selectmen to take the necessary steps thereto.

"2. To see if the Town will vote to fix the compensation of the town manager, or vote to delegate to the selectmen the right to fix the compensation of the town manager."

Thus it is easy to vote the manager in and easy to vote him out, and the great surge of Maine municipalities adopting the plan since 1939 is largely attributable to the Enabling Act; 61 towns have made use of it. Professor Hormell and others believe, however, that helpful as the Act has been in facilitating the change to more efficient local government, it needs further amendment to enlarge the scope of the manager's authority. For often in the towns, as in the cities which employ a manager, the manager's efficiency suffers because the politicians still have their fingers on his appointments. Yet how can we expect much of an administrator who has not the authority to hire and fire his subordinates?

In giving the city manager this authority over his subordinates, the charter of Old Town is a model, for it specifies that the manager shall appoint *without* council confirmation the following: "city clerk, city auditor, chief of police, city treasurer and collector of taxes, city engineer, city physician, city electrician, chief engineer of fire department, superintendent of sewers, inspector of buildings, sealer of weights and measures, health officer and inspector of milk, superintendent of streets, assessors of taxes, patrolmen, members of the fire department, all other department heads whose positions may be created and, except as herein otherwise provided, all minor officers and employees."

Hard times and government's increasing load drove home the need for a change in the *structure* of local government. The council-manager plan brings this change in structure but leaves untouched the spirit and ideals of democracy. However tradition-loving by reputation, your sharp Yankee merchant, your frugal Yankee farmer or fisherman is too realistic not to be sold on the sheer clean thrift and order of the new plan. Here was a public official, the doubters saw, who had to stand or fall on the basis of performance alone; here was a professional who had to know his job and stay with it 24 hours a day.

"We spent $500 supporting one pauper," a selectman confessed to the writer, "before I had time to study the case and found that we shouldn't have given him a cent." (The town where this happened pays their head selectman $250 a year!) Weeding out chiselers and loafers from the town's welfare rolls is a delicate job for an elected official but an easy one for a manager and, according to city manager Allen of Auburn, generally the best way to save without curtailing needed services. In three years Allen cut welfare expenditures by more than a third—while nearby towns were spending more.

SAVINGS

The smallness of a town is no bar to its having a good manager. This was provided for in the Enabling Act which authorizes two or more towns to form a "union" and hire a manager jointly. Towns can also hire the same manager without forming a "union." At present, seven managers in Maine have two towns apiece, and one manager has three. This doubling up enables the very small towns like Dyer Brook (population 265) to get better administrators than they could ordinarily afford. They pay a proportionate share of the manager's salary and get a proportionate share of his time. Pay runs all the way from the $300 which Haynesville (population 235) gives for a piece of a manager and Guilford's (population 1,732) $2,500 for a trained, full-time manager up to the $12,000 which Portland's manager takes home.

Not that the council-manager plan hasn't met resistance in Maine. Naturally so, because its adoption anywhere takes jobs away from politicians and threatens politics itself. The Enabling Act provides that besides taking over the administrative duties of the selectmen, the town manager may also assume such other duties as the selectmen direct, *including* those of tax collector, road commissioner, treasurer, and overseer of the poor. What duties the manager takes over depend on the size of the town involved and other factors. In large communities he takes over few or none; in very small towns he usually

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takes over all the additional duties mentioned above and more. In Castle Hill, for instance, the manager is also constable, school committeeman, and a justice of the peace. The saving in salaries is obvious.

Public indifference, the curse of democratic government, is as much of a menace to the council-manager system as it is to any other form of popular government, perhaps more of a menace. Once a manager is installed, public interest is likely to wane. People feel they have nothing to worry about now, and good government isn't very exciting, whereas the squabbles and graft of old time politics brought folks to the polls running. The manager can dispel this apathy by presenting the issues vividly and by keeping in close personal touch with the citizens; his door should never be closed, nor his ears. Likewise the selectmen (or councilmen) who choose the manager and supervise his work have to be on their toes—to pick a good manager and to see that he does a good job. No plan is better than its manager. And the people must elect capable, conscientious selectmen and keep after *them*.

When Oscar Wilde wrote that "Nothing succeeds like success," he probably wasn't thinking of Maine, but certainly the early successes of the council-manager plan in such places as Auburn and Camden have had a lot to do with the plan's spread throughout the state. In 20 years of town manager government, Camden wiped out a large debt and wound up with a surplus—without cutting services or materially raising its tax rate or valuations. During the depression Auburn lost three of its largest factories and yet managed to decrease its indebtedness—without boosting its tax rate or valuations. In four and a half years the manager of the little town of Ft. Fairfield paid off $80,000 in debts, set aside $116,000 for the retirement of unmatured obligations, and turned in a surplus of $99,087. Such has been the story from town to town. Recently, to be sure, it has been more than difficult to bring the cost of government down—the dollar has been going down; yet the need for municipal improvements, long disguised by the war, can no longer be ignored.

It is not by sensational achievements that the town managers have sold themselves to thrifty Maine communities, but by the steady, systematic rebuilding of local governments into trim, smoothly-running units free of politics, corruption and waste. Managers are men, not miracle-workers; 47 per cent of Maine's managers had had no previous governmental experience. One or two have been guilty of fraud and a handful have been fired for various reasons. But the people are evidently convinced that the council-manager plan is a better system, a better form of local government—despite the ease with which it can be voted out, not a single Maine municipality has ever done so.

Professor Hormell, the father of all this, will be retiring before long, but his lessons have been well learned and the work he started is being carried on by many hands. One of his old pupils, Professor Edward C. Dow, now heads the Department of Government at the University of Maine and gives a course for the training of town managers. The first graduate of the course is now town manager at Bethel, Vermont, and others have been placed in Maine. Meanwhile brilliant young Lawrence Pelletier, another old Hormellian, is working with Hormell at Bowdoin's Bureau for Research in Municipal Government. Last year he was called in on his first case—to suggest a council-manager charter for a famous Maine city. "The politicians cut it to pieces," he moans. Hormell chuckles; this is where he came in—30 years ago.

A parson, diminutive in size, and with hair of the most fiery hue, officiated one Sunday in a remote coal mining village in Britain. The old-fashioned pulpit had a high desk, over which the parson's red head was barely visible.

This was too much for a burly miner who was seated immediately under the pulpit, and who, when he heard the text, "I am the Light of the World," exclaimed aloud to the clerk: "Push him up higher mate! Don't let him burn in his socket."

—*Labor*

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Books in brief

JASPER R. LEWIS

Last Call for Common Sense, by James P. Warburg (Harcourt, Brace, $3.00), is hardly as positively pessimistic as its title infers. Between his visits to Europe and his frequent lectures and addresses in this country, Warburg has delivered considerable verbal and written commentary on the world political situation. Much of it is dispassionate sense; some of it is definitely his own opinion, and a little, unfortunately, just conversation.

These chapters are principally addresses made last year before various groups, all on the same general topic of world affairs, with some interpolated chapters reporting on further investigation of conditions and facts abroad and changes of foreign policy at home. Of necessity there is much reiteration in the papers. Summed up briefly, Warburg's central theme is world government. He has no illusions that Russia would partake in it, but he is confident a start without Russia would be better than the present lack of such an organization. He is also hopeful that ultimately Russia would come in. A chapter outlining the previous course of our tactics against Russia and calling for a reversal is particularly well timed. Warburg insists the present program must result in armed conflict ultimately with Russia. Assuming then even a cheaply won victory for the United States, he emphasizes the utter waste and futility of such a victory. For this conclusion he has rightly to go back only to the winning of World War II to prove his point. He discusses the Truman Doctrine intended to "contain" Russia, the switch to the Marshall Plan to help all countries against hunger and chaos, and a later return to a stop-Russia policy. The Morgenthau plan doesn't get even one kind word.

All of these comments are made in an attempt to show the errors of our own negative foreign policies to date and the need for a positive plan to build a world organization. One world being an affair accomplished through science and technology, it is essential now to gear the political world to that structure.

But finding fault, even in diplomatic language, with the ideas of others, Warburg himself pays a little lip service to politics. Speaking before a church conference, he intimates that the churches have a big part to play in "changes in the social structure of a large part of human society." Similarly, his letter to President Truman, written after the November elections, is a model of political wishwash. "Your splendid triumph and the victory of the forward-looking forces in the Democratic Party have renewed the world's hope for peace and progress."

Logical as he is in his advocacy of a constructive policy for those nations that wish to attain real peace instead of merely to block Russia, some of his assumptions are a bit naïve, or at least over-simplified. To speak of "a relatively weak Soviet Union" doesn't fit in with what we are told of her military strength and trained armies.

For the basis of a world government we must overlook certain discrepancies in Russian ideas of freedom. There could be no Bill of Rights, for instance, nor any attempt to insist upon it within a member state. The admitted need for disarmament, with provision for such disarmament by individual nations in favor of a unified military establishment, is too dangerous an experiment while Russia stays out.

Some of Warburg's statements are disturbing in another way. His references to American desire not to want "to resolve the Ber-

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lin deadlock" last year because of diplomatic concepts of the European guessing game, imply a lack of good faith on the part of the Western Powers, a thought not calculated to inspire world confidence.

His suggestions for a new policy are not as radically different from the present as might be supposed. We should continue to promote economic recovery and political stability, and to make it clear that the United States would not permit military attack on Wesern Europe. We should not try to unify an anti-Soviet world. Two factors are decidedly important; one is to seek an over-all settlement of the German problem; the other is "to get the Red Army back behind the Soviet frontier." Both are "devoutly to be wished." The present status of a Western democratic German state, with a constitution, and an Eastern counter-group, outdates some of Warburg's suggestions, but his basic thoughts are still logical and well put.

BRIEFER COMMENT

HISTORICAL

For the man in the street, an excellent picture of just where we in America stand is *Target: You,* by Leland Stowe (Knopf, $3.00). Stowe sees the American public as the last obstacle to world totalitarianism—whether fascist or communist. The great middle class, conscious less of its power than of its dangers, is the target of all those who advocate isms repugnant to a democratic way of life. To explain the similarity of methods, Stowe reviews the story of Europe's troubles; the support of fascism by industrial magnates in Germany and Italy could be duplicated by reactionaries here. World government through world law and a planned economy at home are two of the things Stowe advocates.

Alan Villiers tells a good, factual story of exploration in *The Coral Sea* (Whittlesey House, $4.00), from earliest voyages of discovery to the recent years of war. With interesting outlines of the tales of the old adventurers, plus comments on the people, European and native, Villiers also has the advantage of personal experience in the region. That is why a little of the war creeps in, but unobtrusively.

A first English translation of *The Age of Constantine the Great,* by Jacob Burckhardt (Pantheon, $4.50), relating the history of that transitional period in Greece, is offered with all the old glory subject to critical examination. Professor Moses Hadas, of Columbia, is the translator of this now old German work (first published in 1852). One can also get an over-all impression of early civilizations and religions from the book.

Back in 1774-1776 when the members of the Continental Congress were battling over the problem of independence, there were personal encounters and caustic remarks just as in all Congresses since. *The Violent Men,* by Cornelia Meigs (Macmillan, $4.00), is a study of human relations in the first Congress. It is history in terms of the individual and his needs and ambitions, and it is an interesting study of human nature too.

BIOGRAPHY

Yesterday Was Mine, by Princess Anne-Marie Callimachi (Whittlesey House, $3.50), is a veritable mine of the unimportant, gaudy, and wasteful period in Europe before World War I. Rumanian princess though she is, she remembers and relates the foibles and extravagances of yesterday, especially the social and cultural customs of her circle. With humor and gaiety, and occasional expressions typical of European viewpoints on marital relations, it is a rich and frank biography of an era.

More or less forgotten since his death in 1929 at the age of 31, Briton Hadden was co-founder of *Time* with Henry Luce. In an affectionate and frank biography of his cousin, Noel F. Busch offers *Briton Hadden* (Farrar, Straus, $3.00). He writes of the formative plans, the beginnings, and the early years of the weekly publication that became

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big business. It is delightful and at times nostalgic reading for anyone who writes, with some of the troubles and tricks of the publishing business, sometimes humorous, sometimes unhappy.

Irma Gross Drooz remembers that as a child she wanted to become a doctor. *Doctor of Medicine* (Dodd, Mead, $3.00), tells the story of her perseverance, training, hospital work, and final success. Some of it is for the medical student or the plain "nosy"; a description of a delivery in an obstetrical ward is far from pleasant reading. Yet people will read. For those who yearn for a medical career this might be a suitable aptitude test.

FICTION

Christopher Morley's latest, *The Man Who Made Friends With Himself* (Doubleday, $3.00), is a mixture of twentieth century philosophy, life (partly psychiatric and partly slightly underdone), and a great deal of imagination. There is an author, a psychiatric girl friend, and a good deal of the bubbling kind of conversation long associated with Greenwich Village. It is eminently readable.

Lord Johnnie, by Leslie T. White (Crown, $3.00), is a swashbuckling tale of a gentleman blackguard who has the dash, looks, and the effrontery needed to make a first-class hero out of a gallowsbird. The place is London, the sea, and later the New World in pre-Revolutionary days. There are molls, and ladies who act like molls, sword play, press gangs, and all the ingredients of first-class vicarious excitement.

A Kentucky mountain story, the theme of which is a settler's backwoods life and obsession with a great fox, *Hunter's Horn,* by Harriette Arnow (Macmillan, $3.50), is fine story telling, to be read over the summer. Evidently timed in the past two generations, as a picture of a way of life, it is as pathetic as it is evidently true to its characters. But the fox is the thing, with its influence on the life of the central human involved.

A child kidnapping, crime, and politics in a large American city, and misdirected adulation toward a missing politican—stir well and set a young book editor to sniff out the truth. All that makes light but entertaining reading in *Shadow of a Hero,* by Allan Chase (Little, Brown, $3.00).

Sound fiction is *Alexander in Babylon,* by Jakob Wassermann (Ziff-Davis, $2.75), now first translated into English. Based on the last years of the life of Alexander the Great, the story brings in Greeks, Persians, Egyptians in all the pomp of the era. Dramatic incidents within the principal theme make the whole exciting and even violent.

The Melodramatists, by Howard Nemerov (Random House, $3.00), is about some naughty goings on in, of all places, a respectable Boston family. Here and there are overtones, or rather undertones, of Harvard, the idiosyncracies of the Brahmins, and a private family revolt against the sacred cows of a class. There are good character studies of not so good characters. The Boston churches will not like it.

GENERAL INTEREST

A discerning method of showing changing lights and shadows of the American people through the years, by selections from the writings of known and unknown, makes *Upon This Continent,* a New Chronicle of America, by Abel Plenn (Creative Age, $3.50), an absorbing volume. After the legendary stories of the American Indians, Plenn is able to quote from records and letters what the living thought of things in their own times. The comments on the past 70 years, touching on politics, labor and war are no less interesting. Except for one thing, and that is the current tendency to acknowledge the 1948 national election as the victory of the common man, rather than of organized labor and smart politicians.

The Spell of the Pacific, An Anthology of Its Literature, Edited by Carl Stroven and A. Grove Day (Macmillan, $6.50), is a notable collection of writings, fiction and nonfiction. These include an abridged version of Bligh's *Mutiny on the Bounty,* several of Herman Melville's titles, Jack London, Stevenson, Conrad, and many others. The atmosphere is maintained throughout the book, and the spell is cast over the reader too.

Wyndham Lewis pays respects to the American people, while gently chiding them for ignorance of their faults, in *America and*

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Cosmic Man (Doubleday, $2.75). He believes Americans are the only people able to lead the world to a new culture and peace. In his examinations of our history and our leaders, he offers some cleverly put and some bold criticisms. It is brave for him to dissect the careers and abilities of the two Roosevelts, Wilson, and others, to show the trends of American thought, but his diagnoses are both amusing and instructive, with doubtless much truth in them.

The story of Hot Springs in Virginia, dating from the times of the Indians and the colonists, is told by Fay Ingalls in *The Valley Road* (World, $4.00). At first a guest for his health's sake and later manager of his brother's hostelry, he relates lovingly the history of the famous Homestead. Maybe the whole world was rosy then, but reminiscences of a week years ago come back. The night Virginia went dry, October 31, 1916, it must have been, with a parade through the Homestead's lobbies, is not forgotten.

It's an Old Cape Cod Custom, by Edwin Valentine Mitchell (Vanguard, $3.00), is a delightful find for Cape devotees. Here are intriguing facts about the lore of the natives, some of their history, and a few recipes for their specialties in the cuisine of the clam, the cranberry, and, of course, the blueberry. The latest volume in the American Customs Series.

Made up of over a hundred fine photographs and well done text, *Halfway to Freedom,* by Margaret Bourke-White (Simon & Schuster, $3.50), speaks eloquently of the struggle and aspirations of the peoples of India. The author's visits to the scene gave her opportunities to meet the leaders, Gandhi, the Haroon family, and many others, and of course the innumerable poor.

Some of the devils that beset composers in their works and in their lives are discussed in *Music to My Ears,* by Deems Taylor (Simon & Schuster, $3.00), in an informal and partly biographical style. Taylor tells some of his own thoughts about music and composition, and has some chapters on great musicians of the past, the personal and all too often tragic side of the lives of geniuses.

At last the coyote has found a friend to speak for him. *The Voice of the Coyote,* by J. Frank Dobie (Little, Brown, $4.00), relates a lot of the lore, legend, and natural history of the animal. Dobie tells of his own long experience, and what he has learned of the prairie wolf, and adds a great deal of interesting information of fact and fancy to make a friendly book.

For those who like to be able to quote, here is *The Dictionary of Humorous Quotations,* Edited by Evan Esar (Doubleday, $2.95). With quotations from Franklin P. Adams to Thomas R. Ybarra and Zola, you can have 228 pages of brief quotations, plus an index. Many are satirical or cynical, rather than humorous.

Politician: A man who, when he sees the writing on the wall, starts to criticize the formation of the letters.—*Dublin Opinion* (Eire)

Socialism: A system of turning water into wine, kerosene into oyster soup, and boulders into beer, by passing resolutions.
—*Pacific Islands Monthly* (Sidney, Australia)

An Iowa congressman sent free seeds to a constituent in a franked envelope, on the corner of which were the usual words: "Penalty for private use $300." A few days later he received this letter:

"I don't know what to do about them garden seeds you sent me. I notice there is a $300 fine for private use. I don't want to plant them in my private garden. I can't afford to pay $300 for the privilege. Try and see if you can't fix it so I can use them privately. I am a law-abiding citizen, and I don't want to commit no crime."—*Capper's Weekly*

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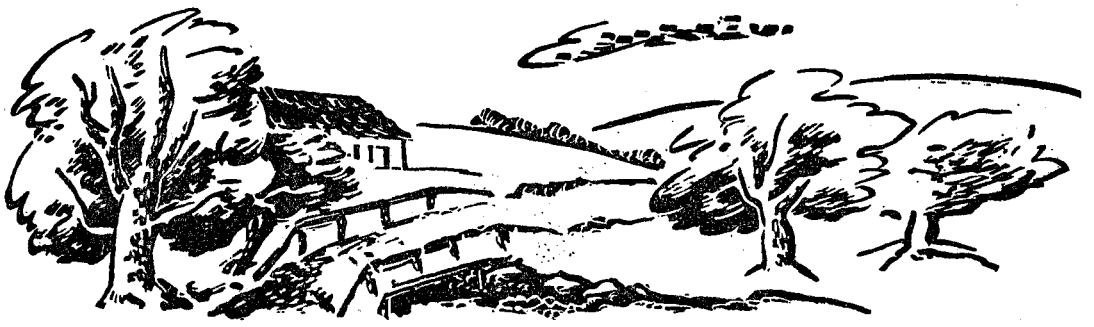

COUNTRY COMMENT

When I was a child, I was fascinated by a certain picture in our unabridged dictionary: an interior view of the Metropolitan Opera House in New York, illustrating the word "theater." I studied the diagram tier by tier—orchestra chairs, orchestra circle, parterre row, stall boxes, omnibus box, grand tier, dress circle, balcony, and family circle—unwilling to miss a single glamorous detail. If I had miraculously been privileged to choose a seat for myself, I should have had a hard time deciding where not to sit. I knew for a fact that the lowest and nearest seats were most expensive; yet I could not escape the conviction that the highest and farthest were most exciting.

I suppose it is the child in me that still delights in any elaborate ladder. It is not that I envy those on the top round, or even hope to reach the lowest round myself. My pleasure is rather a detached appreciation of the ingenuity by which people can be so neatly arranged in layers like a layer cake.

For instance, The Civil Liberties Union, one of the few organizations that I wholeheartedly believe in and belong to, occasionally offers me an hierarchical stratification:

Patron .....$100 and over
Honorary Member .....$ 50
Sustaining Member ....$ 25
Supporting Member ....$ 10
Contributing Member ..$ 5
Associate Member .....$ 2

Obviously the Patrons should be at the top and the Honorary Members next below, and the Associate Members at the bottom. But I am pleasantly puzzled by the order of the three intermediate levels. Just why does contribution rank lower than support, and why is support inferior to sustenance?

Here is another hierarchy, this one from a well-known liberal monthly journal.

Coöperating Member .....$ 10
Contributing Member .....$ 25
Sustaining Member .....$ 50
Foundation Member $100
Maintaining Member .....$

Note how the cost of Contributing and Sustaining Memberships has gone up. Note how the most expensive places, as at the Metropolitan Opera House, are at the bottom. Note the skillfully unspecified amount for a Maintaining Member. Anyone is free to contribute $25,000 or $25,000,000. I take it one would be a Maintaining Member if he gave only 25c.

One of the most impressive hierarchies I know has only two rounds on its ladder. "In addition to the 40 memorial alcoves in the new undergraduate library, there will be 11 conference rooms, each available as a memorial, with a suitable tablet, in consideration of a $25,000 endowment gift. Attractive bookplates are also offered with contributions of $1,000 or more. Fifty bookplates will be affixed in perpetuity in 50 library books for each $1,000 given."

What about the poor man who can contribute only $500? Will he be honored with 25 bookplates? What about the man who can afford only $20? Will he have one bookplate affixed in perpetuity? Probably not.

This is Harvard. If it weren't for the child in me, I suppose I should feel left out.

ROBERT FRANCIS

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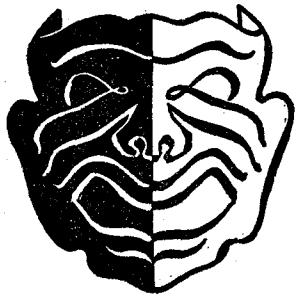

The THEATRE ARTS

by John Gassner

This article is a continuation of our attempt to evaluate the possibilities of either stalemate or progress in the world's theatre now that it has completed half a century. One way of making the appraisal is to look at the styles and methods the theatre has followed in this period. Although it is obviously true that a good play can be written in any style or form, and that effective production is not dependent on any theory of production, the fact remains that drama and theatre have always followed some convention. Theatrical production has always depended upon the kind of theatre area or building in which the play was given, upon the stage at its disposal, and upon the means at hand for creating illusion or suspending disbelief. And upon this mode of production, to which the public gives the only kind of assent that matters—temporary submission to its magic—has depended the specific character of the plays written at a given time. But for the structure of the Elizabethan theatre and stage, the tragedies and historical plays of Marlowe and Shakespeare would not have the particular vitality we associate with their freely flowing narration, their telescoping of time and place, their descriptive power, and their self-avowals and addresses to the audience in the form of asides and soliloquies. In our century, however, we no longer have the stability that could give any single convention a long and fruitful period of exclusive or nearly exclusive rule. A convention in classic drama and staging could last for several centuries with only minor modifications. The medieval convention of staging on pageant wagons or on multiple settings of little booths or "mansions" prevailed for nearly three hundred years. The Elizabethan convention of the platform stage lasted some fifty years, and the neo-classic style that succeeded it prevailed in Europe for about a hundred and fifty years. But the theatre of our own century has undergone constant alteration and has followed a variety of patterns. It looks like a mosaic of forms and styles.

It is not to be deprecated for this reason. The result has been a succession of stimuli that have added interest to the stage, that have provoked wholesome controversy, and aroused enthusiasms that have given our stage an attractive élan from time to time. It is, besides, somewhat difficult to imagine that the theatre would have succeeded in commanding attention in an age of rapid transitions and nervous tension if it had settled into a single, undeviating groove of convention. The fact is that the modern theatre has found the successive and simultaneous exploitation of a variety of dramatic approaches absolutely indispensable to its existence. This can be seen vividly enough in the careers of all our major playwrights and of most of the minor writers who have managed to retain our interest beyond one or two plays.

Long ago, George Jean Nathan noted with respect to American playwrights that a distressingly large number of them faded into insignificance after the success of a single piece of writing. Those who have had a long record of distinguished work have been notably flexible in dramatic composition. O'Neill has tried every form of writing since his early one-acters. We find him moving from the realistic form of *Anna Christie* to varie-

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ties of expressionism in *Emperor Jones, The Hairy Ape,* and *The Great God Brown;* from trim one-acters like *Ile* and *In the Zone* to outsize plays like the nine-act drama *Strange Interlude,* written on the two levels of spoken and stream-of-consciousness dialogue, and the trilogy *Mourning Becomes Electra.* Robert Sherwood has run the course of sophisticated comedy in *The Road to Rome* and *Reunion in Vienna,* of allegorical melodrama in *The Petrified Forest,* and of the biographical chronicle in *Abe Lincoln in Illinois.* Maxwell Anderson has shifted from the pungent naturalism of *What Price Glory?* to historical verse drama like *Elizabeth the Queen* and *Anne of the Thousand Days,* to the modern verse tragedy of *Winterset,* to the verse fantasy of *High Tor,* and to the play-within-play technique of *Joan of Lorraine.* Even the younger men who have as yet only a few plays to their credit have been notably restive. There is, for instance, less difference of content and ideology between Arthur Miller's *All My Sons* and *Death of a Salesman* than there is a difference of style and dramatic form. And the career of Tennessee Williams has already carried him through highly naturalistic one-acters, realistic drama, the expressionistic technique of reminiscence that characterizes *The Glass Menagerie,* the poetically charged naturalism of *A Streetcar Named Desire,* and the novelistic chronicle structure of *Summer and Smoke.*

Across the Atlantic the protean quality of the drama is even more marked. What a world of difference there is, for instance, between the Giraudoux who wrote the elegant "bedroom" comedy treatment of Greek myth, *Amphitryon 38,* and the Giraudoux who conceived the *Madwoman of Chaillot.* What a difference between the O'Casey of *Juno and the Paycock* or *The Plough and the Stars* and of *The Silver Tassie* and *Within the Gates.* One could have concluded that the man who revealed such overwhelming competence in realism as O'Casey did (and this with a continuous obbligato of poetic imagination and speech) would have been content to write in the vein that made him one of the major dramatists of the century. Instead, driven on by his private *daimon* and by the whiplash of a demoniacal world, O'Casey turned to forms in which his skill was less, and in which his effects were bound to lose unity and persuasiveness. He not only turned to expressionistic and allegorical writing but persisted in it despite a discouraging reception by a public that had praised him unstintingly for his early work.

Perhaps the best example of refusal to be bound to a single dramatic mode is provided by Bernard Shaw, once the mighty champion of Ibsen and realism. Shaw's experiments have taken him from the compact realism of *Candida* to the allegory of *Heartbreak House,* the dialectical conversational drama of *Married,* the extravaganza of *Too True to Be Good,* and the fantasy of *Back to Methuselah,* and *The Simpleton of the Unexpected Isles.* This "free wheeling" has been apparent even within the structure and style of single plays. He broke into the third act of *Man and Superman* with the fantasy and conversation piece of the Don Juan dream episode, and wrote a fantastic coda for *Saint Joan,* which is, in other respects, a work of luminous realism. By contrast, that refined craftsman and sober-minded gentleman of the theatre John Galsworthy remained faithful to carefully wrought objective dramaturgy, and his reward has been to disappear from the living theatre while his contemporary, whose work was always viewed with misgivings, continues to engage our attention. One can, indeed, sum up the history of half a century of theatre by saying quite categorically that the modern dramatist simply could not afford to stand still as, let us say, a Racine or Molière could.

The point of major concern is that virtually every mode of playwriting and play production has exhausted itself so rapidly that no one among our dramatists has had a long period in which he could bring his work in any single style to full fruition. The perfection of an *Antigone* or an *Oedipus the King* is a culminating point in development along the same line of dramatic form and style. The Elizabethan drama took a long time to reach the elevation of *Macbeth* and *Hamlet.* Among modern forms of playwriting, the only one that has had a long history behind it is realism. As a result we have the perfection of Ibsen's and Chekhov's plays and the continued successful materialization of real-

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ism in work like *Candida,* in Galsworthy's and O'Casey's masterpieces, in Odets' *Awake and Sing* and *Golden Boy,* in Lillian Hellman's *The Little Foxes,* and in *A Streetcar Named Desire.* But realism, we must remember, is in all respects a nineteenth century phenomenon, the product of dramatic and social developments that started long before Ibsen wrote *A Doll's House.*

The present century has developed no style, although it has invented several styles, to express its own particular complexion. If this has not proved catastrophic thus far, it is, we may surmise, only because twentieth century man's personal outlook is still emotionally rooted in the past. The average playgoer may employ the latest gadgets of modern industry, may travel in stratoliners, and may even respond to the latest antics in painting and "bebop," but he is fundamentally Victorian in his response to emotional complications. He is still basically bourgeois in human relations, and indeed modern mass production enables him to gratify bourgeois aspirations of safety, comfort, and convenience more than ever before. All goes well with his middle-class life and aspirations except when an economic crisis or a war blows his house down. That is when he becomes frantic and starts yelling himself hoarse, and his cries echo in the theatre, as they did in Germany after World War I when German expressionism went berserk for a time. Then an adjustment takes place, a calm settles for a time, and back goes the twentieth century man to his *lares* and *penates,* and the theatre reflects his retreat with a new crop of realistic domestic dramas and sociological treatises.

It is no wonder, then, that the greatest artists of the theatre feel isolated. They have looked farther and deeper into the private and social chaos of the century, and their shudder is not easily exorcised by a full larder, by a temporary rise in employment and profits, and by a few more factory-made conveniences. They turn to existentialism, to communism, or to the sheer anarchistic despair of O'Neill's *The Iceman Cometh.* They resort to allegory, to rueful fantasy of protest like *The Madwoman of Chaillot,* or to surrealistic escape mechanisms. The most creative spirits become the most disoriented. They turn to experiments that are rootless and therefore are incapable of maturing, so that their best work is merely the sudden exotic blossoming of a rare talent that cannot ripen, as we see in the case of William Saroyan, and as we are beginning to see in the case of Sartre. Finally, a great gulf begins to yawn between the creator and his public, a gulf wider than has existed in other times.

There was a time when a period's ablest writers had the greatest or at least a very large following. Their idiom and content were the idiom and content of the public, as in the case of Tennyson, Dickens, and Thackeray during the Victorian period. But this is no longer the case, not only in the drama but in other forms of art. In much of their work, Wilder in *The Skin of Our Teeth,* O'Neill, Giraudoux, Sartre, Brecht, Cocteau, Dennis Johnston, and O'Casey, for example, are alienated from their public. If the rift is closed now and then, this is due to extraneous factors, to the sensationalism of the subject, to the unusually attractive theatricality of a production, or to the fortuitous presence of a popular actor in the production. The distance between such playwrights and the majority of playgoers is bridged at times, but it is essentially almost as great as the distance between modern poets and the average reader, or between the fiction of Joyce and the buyers of novels. When in some special case, like *Death of A Salesman,* a play commands large public assent to something that departs from the realistic routine, it is hailed as a miracle. But when one looks more closely at the miracle, one is apt to find that in spite of its unusual features it is at heart commonplace. Its outlook and insight seem ordinary to anyone familiar with Aeschylus, Euripides, Shakespeare, and Shaw; it has the same superficial or middle-of-the-road spirit as its audience, and it follows well-worn grooves of sentiment and sympathy. There is much more rapport between *Death of a Salesman* or *A Streetcar Named Desire* and the average Babbitt than either the playwright or the Babbitt would care to admit. (Neither of these plays is, or course, bad or meretricious because this happens to be the case. I cite these plays merely to illustrate the point that most successful departures from nineteenth

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century realism do not depart essentially from its spirit and outlook.)

Another way of saying what I have tried to set down is to declare flatly that the century has not yet developed distinctive dramatic forms of its own, and that therefore it is moving toward an impasse or declining to a point on its curve where the law of diminishing returns begins to operate. The large number of worthy plays produced within the past 50 years does not alter this fact. The development of other styles and forms and their modifications would alter the situation, of course, and indeed there have been short periods when this seemed to be the case. There has been no dearth of "new" schools of theatre and drama in our time, and its proponents were loud in their annunciations of a new dispensation. Each of these dispensations held out a noble promise, indeed, and much was expected by its publicists. It is true, nevertheless, that thus far no such expectations were met.

Naturalism began to pall quickly. Its objectivity came to be regarded as cold and forbidding, and its representation of slices of life ceased to command interest. In due time naturalism was vulgarized into the spiritless sensationalism of Belasco productions and the meretricious photographic detail of Hollywood motion pictures. So-called "symbolism," a style that was all nuance and suggestion, was next acclaimed. It has served to give design and grace to theatrical production, but as a self-sufficient style it proved effete, astigmatic, and unstimulating. Expressionism ran riot, but within half a decade its frenzied tricks of distortion and its vehemence had exceeded the indulgence of common sense. Expressionism lost its hold upon playgoers, and it was soon demoted to the uses of popular drama like *Lady in the Dark* and of musical comedy production numbers. "Constructivism," a mode of bio-mechanical production on skeletal settings that required the services of acrobats rather than actors, enjoyed a brief vogue, especially in Russia, and then was discarded as a sterile and factitious kind of art. Today you are more apt to find constructivism lending pseudo-modernity to a fashionable bar than to a stage setting. Still later, high hopes were held for so-called "epic production," which used mechanical devices and motion picture slides as means for augmenting the significance and scope of the drama. But the professional theatre has failed to reveal a single satisfactory production in this style since the defunct Federal Theatre's "living newspaper," *One-third of a nation.* Surrealism has occasionally charmed a small group of devotees, as in the case of Gertrude Stein's *Four Saints in Three Acts.* In very moderate form, surrealism has appeared in the Broadway productions of Saroyan's *My Heart's in the Highlands* and *The Beautiful People.* But it proved too exotic for adoption by the theatre as anything more than an occasional tidbit.

The dramatists who attempted new styles could, it is true, give birth to one or two plays that we could greet with enthusiasm, and when these plays are added up they comprise a small body of dramatic literature that does credit to the century. But even so, they have been isolated products and constitute no developing line of dramatic style. We do not think of the plays of the Greeks, Shakespeare, Racine, Molière, or Ibsen as aberrancies. But plays like *My Heart's in the Highlands,* Cocteau's *The Infernal Machine,* Sartre's *The Flies,* Camus' *Caligula,* and Wilder's *The Skin of Our Teeth* have been nothing more than oddities in our theatre. A great dramatic art constitutes a norm and not an aberrancy, a dominant style and not an oddity. Fifty years have passed since the first theatrical season of the century, and the theatre has not yet found a style to which it could adhere. The twentieth century stage still adheres to a style that it continues to recognize as old-fashioned and dated but which it cannot discard for lack of anything to put in its place—and this not without having made a number of efforts to develop a substitute. This is the impasse of twentieth century theatre.

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Is Increased Foreign Trade Beneficial?

Shall we increase imports?
Decrease exports?
Reduce prices?

By CAROL L. THOMPSON

The problem: The United States is officially for freer foreign trade; E.C.A. is our contribution to economic peace. Yet our price policies and domestic legislation seem to contradict, and in many cases frustrate, the laudable aims of our foreign policy. How can we resolve these contradictions?

> UNLESS nations can sell each other the products of their agriculture, labor, and industry to the greatest possible extent, there can be no sure foundation for economic peace. Unless world trade is increased, the tremendous investment we are making toward world economic recovery will be largely wasted. Unless trade restrictions are realized, the lot of the private trader in international trade will become increasingly difficult.
>
> In the achievement of these objectives, United States leadership and United States action is a decisive influence.

On January 8, 1949, President Truman issued this statement of United States policy. During the preceding year, the gross business of this country was approximately $240 billion and our exports totaled more than $13 billion. In the two years after 1945, the United States had sent more than $35 billion in goods and services to the countries of Western Europe. The impact of foreign demand on our economy is obvious. In the latest edition of his *Economic History of the United States,* Professor Chester W. Wright, of the University of Chicago, sums up the situation as follows:

> As the post-war situation actually developed, the western half of Europe found that its pre-war trade relations with the eastern portion under Russia's domination . . . . were largely destroyed, despite some reciprocal trade arrangements. Thus, for even normal, as well as the vast abnormal needs, Western Europe had to look elsewhere, chiefly to the Western Hemisphere, and above all to the United States, since this country alone could provide most of the needed goods . . . and it alone could assume most of the financing involved. . . .
>
> It was the prevalent belief, despite considerable opposition that the United States would gain in the long run, both economically and politically, by the financial aid extended . . . . it would gain economically by hastening world recovery and lessening the chance of such a reaction as had engulfed the world after 1929. Also, immediately, there would be substantial gains for the groups producing the exported products, even though the supplies available for domestic use were thus reduced and the ultimate cost, which was most uncertain so far as the loans were concerned, would fall on the taxpayers. . . .

It may perhaps seem at first glance that increased foreign trade is obviously desirable, and that no difference of opinion on the question can exist. We are all familiar with statements like the following, prepared by the International Trade Committee of the Committee for Economic Development:

> A healthy, normal international trade, conducted as naturally between nations as between the inhabitants of any one nation, promotes living peaceably together. International trade not only increases the mutual interest of all nations in the common welfare, but it fosters better understanding and thereby friendship.
>
> International trade, too, benefits each nation individually. It contributes materially to the prosperity of every nation engaged in it. It raises living standards, makes the enjoyable things of life more abundant, helps iron out the fluctuations in each country's prosperity.
>
> The United States standard of living particularly depends upon a highly productive economy of which international trade is an essential part.

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Looking at foreign trade as providing a market for surplus United States production and thus as a means of maintaining full employment, we can all endorse this sentiment. In fact, because it is obvious that if we export we must in the long run be prepared to import, we are also officially in favor of lower trade barriers, i. e., lower tariffs.

But although officially the United States is "for free foreign trade" this is not our historic position, nor is it universally supported even now. In a period of unprecedented prosperity, concern for our domestic economy is not so evident. But in a depression period, 1933, we were far less interested in international economic problems. Before the World Economic Conference assembled in London in that year, the United States had placed an embargo on gold (April 19, 1933), officially taking the country off the gold standard. When the Conference met, President Roosevelt indicated that the United States would not cooperate in any move for currency stabilization at least until domestic prices had risen satisfactorily. "The sound internal economic system of a nation is a greater factor in its well-being than the price of its currency in changing terms of the currencies of other nations . . . . " declared Mr. Roosevelt.

The depression concern with surpluses instead of scarcities is reflected in Henry Wallace's statements in *America Must Choose,* written in 1934 while he was Secretary of Agriculture:

> It should be recognized that our surplus problems here in the United States and the resulting necessity of keeping part of our factories idle and withdrawing acreage, or of widening foreign markets, or of doing these things in combination, is really part of a world surplus problem. This country has more industrial as well as more agricultural capacity than it needs for home consumption . . . . in all branches of our economic life there is an identical tendency for production to outrun consumption. Other nations have just the same trouble, as we know from the prevalence of unemployment and dole systems throughout the world.

Wallace points out one difficulty:

> If we are going to increase foreign purchasing power enough to sell abroad our normal surpluses of cotton, wheat, and tobacco at a decent price, we shall have to accept nearly a billion dollars more goods from abroad than we did in 1929. . . .

Again, in *New Frontiers,* Wallace writes:

> More than almost anything else, at present the different people of the world, and especially the American people need to understand the remorseless logic of international bookkeeping. When this logic is understood, it can then be realized that every policy, no matter what it may be, has its advantages and disadvantages. An increase in export trade must also be accompanied by an increase in import trade or by an increase in tourist expenditures in foreign countries, or by the shipment of more goods in foreign vessels, or by loaning money abroad, or by continually depreciating American currency, or by a little of any two or more of these five possibilities.

As Secretary of Agriculture, Secretary Wallace's views were regarded as official administration views in the early days of the New Deal.

Today, of course, almost no one is talking of inevitable world surpluses. Accelerated American production literally cries for foreign markets. Of the total United States production in 1947 of the following items, a significant percentage went overseas: of cotton, 15 per cent; wheat, 35 per cent; tobacco, 20 per cent; rice, almost 40 per cent; dried whole milk, more than 60 per cent; dried fruit, more than 40 per cent. Our industrial exports were also significant. Of the total United States production in 1947, more than 20 per cent of our agricultural machinery was shipped abroad; almost 20 per cent of freight cars; 20 per cent of motor trucks; 10 per cent of rolled steel.

Obviously, millions of American jobs depend on our export business. According to figures released by the Department of State, almost two and one half million workers were *directly* dependent on exports for their jobs in 1947 (compared with less than one million in 1939).

Exports are, however, only half the story. The United States is by no means self-sufficient. Nearly every American industry depends on imports of raw materials. Spices, tea, zinc, rubber, copper, manganese, lead, jute, silk—this is only a partial list of vital

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commodities imported by the United States. Of the total imported, raw materials and semi-manufactured products constitute 54 per cent; finished goods, 33 per cent; unprocessed foodstuffs, 13 per cent. Unfortunately for balanced economy, however, the United States today exports far more than it imports. In 1948, for example, our exports totalled $13,305,000,000 and our imports were $7,517,000,000, more than $5,000,000,000 short of the value of the exports. Nations wishing to buy from us, therefore, cannot obtain enough American dollars to pay for our exports.

SOLUTIONS

One obvious and initially easy way to solve this problem is to lend or give foreign nations the money with which to buy our exports. In effect, this is the solution reached in the Lend-Lease program and in the present European aid program.

There are two other solutions: (1) to reduce exports so that sufficient dollars will be available to pay for all exports out of imports; or (2) to increase imports so that other nations can earn the necessary dollars to pay for a large volume of exports. The first of these solutions would have a serious effect on our economy; the second would mean very considerable lowering if not abandonment of our tariff system.

The importance of foreign trade to the American economy is by no means self-evident, nor is it obvious to substantial sectors of the American public. Even when five per cent of our total production goes abroad, as it did in 1948, the necessity for maintaining a high level of exports is frequently overlooked.

For example, the object of the E.C.A. is to work toward a steady decrease in United States exports to the Marshall Plan Countries. The member states are to become self-sufficient if possible by mid-1952:

> In the Interim Report on the European Recovery Program issued at the end of December, the O.E.E.C. stressed the need for reconsidering some of the national plans for production and foreign trade if an external balance, particularly with the Western hemisphere, were to be attained by mid-1952. The problems of adjustment confronting the participating countries were discussed, including questions of money and finance, production and investment, foreign trade expansion, overseas territorial development, consumption levels, and the distributive system. The O.E.E.C. performed a signal service by urging the countries to undertake individual and collective action to solve these problems satisfactorily.

(*Third Report to Congress of the Economic Cooperation Administration,* 1949).

In its first report, the E.C.A. had summarized pre-war European trade as follows:

> Prior to World War II, Eastern Europe was the source of a significant part of the necessary imports into Western Europe. Timber and timber products from the east made up 32 per cent of Western Europe's pre-war requirements; Poland was an important source of coal; Poland, Bulgaria, Roumania, and Yugoslavia contributed a large part of the grain imports. Many raw materials such as potash, lead, chromite, and manganese, flowed from east to west. In turn, Eastern Europe relied on the west, especially Germany, for manufactured goods, industrial equipment, and raw materials.

Now, of course, there has been a "general deterioration of trade" between democratic and communistic nations.

"Nevertheless," continues the E.C.A., "east-west commerce has been reviving, and it is desirable that it should do so. In an emergency, Western Europe can be provided with essential timber, coal, and grain, from the United States and the Western hemisphere. It is generally preferable, however, for the participating countries to obtain such items from their normal pre-war sources."

Americans interested in the recent coal "stoppage" might question this assumption today. In June, 1949, John L. Lewis ordered a "brief, stabilizing period of inaction" (one week) because there was a stockpile of coal of "more than adequate tonnage for the domestic and export market," resulting in "menacing instability" for the industry. The normal seasonal reserve of coal would be 45,000,000 tons; when the stoppage was ordered, coal reserves had climbed to 70,000,000 tons.

Obviously, decreases in tonnage of coal exports affect the coal industry. What *The New York Times* (June 12, 1949), calls "the bearish effects of Europe's rising farm pro-

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duction" is a "depressing influence in the broad farm picture." Yet, according to the E.C.A., it is "generally preferable . . . . for the participating countries [of Europe] to obtain . . . . items [such as coal and grain] from their normal pre-war sources." Preferable for whom? For the countries of Western Europe? Undoubtedly, while United States prices remain higher than prices for similar commodities elsewhere. For the United States? This is not so easily seen.

In mid-June, 1949, unemployment in the United States stood at more than 3,000,000 and the anticipated seasonal upturn had been disappointing. A year ago, unemployment was well above 2,000,000; the intervening period swelled the ranks by more than 1,000,000. In the same period, employment fell off almost 4,500,000. With manufacturing lay-offs continuing, in April, 1949, fewer than 58,000,000 workers were employed in the United States.

DOMESTIC ECONOMY

A normal backlog of unemployed of 2,000,000 is to be expected, and 3,000,000 unemployed is not in itself alarming (in 1933, the worst year of the depression, there were more than 12,000,000 unemployed). There are other indications of recession, however. Industrial production is 10 per cent below last October's level. The consumer price level declined steadily for seven months, and shows further tendencies toward decline. Acreage controls to limit the 1950 grain crops of the United States have been suggested.

What is the significance of our foreign trade in the light of these evidences of recession? There can be no doubt that the volume of production sent abroad under the Marshall Plan since 1945 contributed to the general prosperity of this country. Naturally enough, few if any Americans advocate never-ending *gifts* or even *loans* to Europe as the way to finance our exports. As we have seen, the E.C.A. seems to be moving in the direction of limiting our exports to make Europe self-sufficient, although such a goal will put a serious limitation on our foreign markets.

The Economic Cooperation Administration was established during a period when limitation of exports seemed desirable because of serious domestic shortages. Early critics of the program wrote of the "drain on the American economy." As the First Report of the E.C.A. pointed out:

> Congress has directed in the Act that the promotion of European recovery with American aid should not impose an excessive burden on the resources of the United States or impair the fulfillment of the vital needs of the American people. . . .
>
> In accordance with the Congressional mandate, the Administration has authorized to the maximum extent possible procurement of scarce items, such as petroleum and meat, from sources other than the United States. . . . As far as possible, the requirements of the European countries have been met with commodities that are in relatively ample supply in the United States.

The Third Report of the E.C.A. reflected the successful rebuilding of the European economy:

"Industrial production in the participating countries climbed to a post-war high at the end of 1948. . . . Exceeding the pre-war rate for the first time, the output of factories and mines approached the O.E.E.C. goal for the fiscal year of 1948-49. . . . "

Interesting in the light of the coal stoppage is the statement that: "a steady rise in output, a relatively mild winter, and increased supplies of fuel oil combined to alleviate the fuel shortage that has plagued Europe since the close of the war. This improvement is reflected in the sharp reduction of United States coal exports to the E.R.P. countries."

Scarcities of goods in the domestic economy roused many critics of the foreign aid program, critics who doubt the value of foreign trade today. The Special Committee to Study Problems of American Small Business, represented by Chairman Kenneth S. Wherry, of Nebraska, gave expression to this viewpoint in several hearings. In June of 1948, Chairman Wherry declared:

> . . . . I might as well confess I voted against E.R.P., and one of the big reasons why is because it seemed to me, with the knowledge I had of the shortage of steel and petroleum products, we should evaluate what this domestic economy can stand.
>
> The same with food, we only produce six per cent of the food of the world, and yet here we are trying to scatter it around to the

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nations of the world. Do you see what I mean? That is the point. How far can you go?

When we passed this law, and tried to get a voluntary allocation [sic], it was my feeling, and I think you will see the record, that we were doing it to aid the domestic economy, that we wanted as much export trade, of course, as we could stand. That is only natural. As good merchandising we wanted to get every dime's worth of at least good foreign business that we could get.

But if E.R.P. has a priority, and it certainly does, if the military—because all they have to do is go out and get the goods and you know they get it, they have the priority, and they get theirs; if other agencies go out, they get theirs. Where does the domestic economy come in? And I mean domestic. It is good for those that have the contract, but I mean the ultimate consumer, the fabricator who is manufacturing here, 1,500 small implement manufacturers who need steel today. Where are they going to come out?

Mr. A. J. Hazlett, vice president of sales, Jones and Laughlin Steel Corporation, answered the Chairman: "It is inevitable that he is going to suffer." Later on in the same hearing, Mr. Paul Mackall, vice president of the Bethlehem Steel Company, gave some figures showing the importance of small business:

"We made an analysis of our business, very carefully. Eighty-eight per cent of our customers are small consumers who employ 500 persons or less. . . . We are taking care of most of them or more than last year."

But he admitted that when E.R.P. asks for steel, "there is that much less to distribute to others."

In its interim report published in January, 1948, the Special Committee to Study Problems of American Small Business commented on the export program:

> Very early in its investigation, the Steel Subcommittee became aware that increasing exports of steel products were aggravating conditions in the domestic economy. Complaints had been received from a number of smaller manufacturers and users who claimed that large exports of sheet steel were the root of their difficulty.
>
> Exports of structural steel and plate are undoubtedly affecting the housing program and fulfillment of freight-car production. Independent oil producers have protested that large shipments of steel pipe abroad are making it impossible for them to develop new oil resources or expand oil and gas lines to supplement domestic supplies. . . .
>
> In securing figures from the Bureau of the Census on steel exports for the year 1946 and the first three quarters of 1947, the subcommittee found that total exports are on the rise in 1947 over 1946, at a rate which will be an increase of 2,000 tons of steel products this year. This also represents about a million and a half more tons of steel than exported in the pre-war year of 1938, when there was no shortage of steel and exports were unrestricted.
>
> Exports of steel-mill products are leaving the United States this year at the rate of 7,000,000 tons, or 11.1 per cent of current production. At the half-year mark the figure was 6,500,000 tons, or 10.5 per cent of what it was then estimated production would be. At the three-quarter mark production of steel products is running at the yearly rate of 62,300,000 tons. . . .
>
> Exports of such critical products as sheet steel and steel pipe and tubing have doubled and trebled in 1946 and 1947 over shipments of those items in normal pre-war years. . . .
>
> The Steel Subcommittee has brought to the attention of the Secretary of Commerce that the first declaration of policy in the law of E.C.A. is that the domestic economy must be protected from injury which would result from adverse distribution of short-supply materials.

An additional explanation for the rather negative attitude toward the E.C.A. shown by small business is found in the fact that most overseas orders have been placed with large corporations. Thus small business has seemed to get the short end of the stick in both directions: suffering from short supplies drained out of the country, and failing to secure orders from overseas to stimulate industry. In the short run, anyway, for most small businessmen, the present increase in United States exports seems none too desirable.

The American tourist industry, likewise, lacks enthusiasm for the E.C.A. program. As far back as 1934, Wallace referred to the necessity for increasing tourist trade abroad to help finance United States exports. When the United States Senate began debate on E.C.A. amendments last Spring (1949), Senator Brewster, of Maine, moved to prohibit the use of E.C.A. funds for advertising foreign travel:

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> My own State derives about $100,000,000 a year from tourist travel, and it is one of the principal factors in our economy. New England as a whole receives about $500,000,000 from the same source. Logically, there is no reason, if tourist travel is one of the most effective means of restoring the balance of trade with Europe, why this should not be done; and the logic of it I think has led to its consideration; but when it comes to the use of E.C.A. dollars in this way in direct competition with our own agencies in this country . . . . that are seeking to stimulate travel in our national parks and other places, it seems to be the consensus of many that it would be wiser to put a limitation . . . . on advertisements concerning foreign travel. The advertising of foreign travel would logically be followed by the advertising of foreign products. I am sure that all the industries in this country that are seeking the consumer's dollar would have a just cause for complaint if E.C.A. dollars were used directly in advertising the distribution of foreign products in this country, however much it might contribute to the rehabilitation of exchange."

Other groups in this country, while not opposed to E.C.A., seek to incorporate in the act certain provisions to favor their special interests. Their activities may or may not be harmful to the expansion of our foreign trade. The marine "subsidy" clause undoubtedly has had harmful effects.

In 1934 Wallace also referred to the possibility of shipping more goods in foreign vessels. Now, Section 111 (a) of the Economic Cooperation Act provides that "the Administrator shall, in providing for the procurement of commodities under authority of this title, take such steps as may be necessary to assure, so far as is practicable, that at least 50 per centum of the gross tonnage of commodities, procured within the United States out of funds made available under this title and transported abroad on ocean vessels, is so transported on United States flag vessels to the extent such vessels are available at market rates." This is known as the "American flag rule." According to the Third Report of the E.C.A.:

"Enforcement of the American flag rule meant that E.C.A. was financing bulk cargo movements at a premium of several dollars per ton above that at which foreign flag vessels could be chartered. . . . "

To date, efforts to alter the rule have been ineffectual, despite the fact that its operation raises prices and keeps American dollars from European countries in need of them.

Various farm groups are also looking out for their special interests. In the Senate debate on E.C.A. amendments, Senator Gillette, Democrat, from Iowa, advocated an amendment specifying that a definite per cent of the corn, corn grits, corn meal, and corn flour shipped overseas should be in the form of processed corn products. He called attention to the fact that "some 35,000 people are now employed in the dry-milling of corn in this country, and there are 175 plants. The plants at the present time are operating at less than 50 per cent of capacity." The fact that the people of Europe are unaccustomed to eating corn grits, corn meal, and corn-flour is unimportant to the Senator and the people he represents.[1] Attitudes such as this will not actually improve our trade relations abroad.

It is also questionable whether, in the last analysis, the E.C.A. goal of European self-sufficiency will benefit the United States. E.C.A.'s attitude is based partly on the obvious need to rebuild Europe's economy; this is wise and desirable. But is is also based on the fact that we are financing the exports we make to Europe today, and that the taxpayers are not willing to do so indefinitely. If we desire foreign trade once E.C.A. has ended, we shall again be faced with several alternatives: the lowering of tariff barriers to increase imports and strike a more favorable balance; or the reduction of exports to a point where they correspond more nearly to imports, with a corresponding reduction in United States productivity and, probably, employment; or, the reduction of United States prices so that the cost of our exports will not be so markedly out of line in relation to the cost of European products. At the moment, our agricultural support program and other efforts to maintain price floors are running counter to the last-mentioned solution.

So far, this discussion has been limited to United States export policies; a discussion of tariffs and imports, and the broader problem of price differentials, will follow.

[1] For the complete discussion, see *Forum*, May, 1949.

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More Than

FIFTY YEARS OF FORUM

Mr. Gassner continues his study of the twentieth century theatre in this issue. He concludes that our playwrights have been experimenting in an unsatisfactory search for a form.

In May, 1909, our theatre critic, Clayton Hamilton, criticises the playwrights who were writing at the turn of the century:

"The main trouble seems to be that instead of telling us what they think life is like, they tell us what they think a play is like. Their fault is not—to use Hamlet's phrase—that they 'imitate humanity so abominably': it is, rather, that they do not imitate humanity at all. Most of our playwrights, especially the newcomers to the craft, imitate each other. They make plays for the sake of making plays, instead for the sake of representing life. They draw their inspiration from the little mimic world behind the footlights, rather than from the roaring and tremendous world that takes no thought of the theatre. Their art fails to interpret life, because they care less about life than they care about their art. They are interested in what they are doing instead of being interested in why they are doing it. 'Go to!,' they say to themselves, 'I will write a play'; and the weary auditor is tempted to murmur the sentence of the cynic Frenchman, *Je n'en vois pas le nécessité*.

But now, lest we be led into misapprehension, let us understand clearly that what we desire in the theatre is not new material, but rather fresh and vital treatment of such material as the playwright finds made to his hand. . . . It is a curious paradox of criticism that for new plays old material is best. This statement is supported historically by the fact that all the great Greek dramatists, nearly all of the Elizabethans, Corneille, Racine, and, to a great extent, the leaders of the drama in the nineteenth century made plays deliberately out of narrative materials already familiar to the theatre-going public of their times. The drama, by its very nature, is an art traditional in form and resumptive in its subject matter. It would be futile, therefore, for us to ask contemporary playwrights to invent new narrative materials. Their fault is not that they deal with what is old, but that they fail to make out of it anything which is new. If, in the long run, they weary us, the reason is not that they are lacking in invention, but that they are lacking in imagination."

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As in an Old Book

In the way of a slow poem
You are moving:
The grace and the direction are your own,
In the way a poem's are, proving
Nothing beyond what in itself is shown:
True beyond cavil,
Good beyond debate,—
And final and complete,
Where time is not
Nor the things of time:
Where soon and late
Are one—and nothing—at the end of thought.

And I, in the slow way of love, with eyes
That might be a man reading
From a page
In a slow poem,
Watch you, and grow wise
As love and poems are,
Beyond the rage of time grown gentle
And come here to look
At love beyond him, safe in an old book.

DAVID MORTON

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Congress Debates:

The International Wheat Agreement

ON JUNE 13, the Senate ratified the International Wheat Agreement. This was the culmination of many years' efforts to obtain an even distribution of the world's wheat supply.

The problem of oversupply in one part of the world and famine in another is an old one. The first wheat conference called to study this question met in Rome in 1931. In 1933, the first international wheat agreement, which established the first quotas for wheat, was drafted. Although this pact lasted only two years it created a Wheat Advisory Council, which survived until the 1940's. The war in 1939 interrupted the drafting of a new and more comprehensive wheat agreement. But in July, 1942, Australia, Canada, Argentina, the United States, and Great Britain entered into a wheat agreement.

In the spring of 1948, an International Wheat Agreement was drawn up in Washington, but failed to be ratified by the Senate which was busy with too many other things in its special session. The 1948 pact was opposed by farming and milling interests in the United States. When the 1949 version was drawn up, these groups were invited to present their views so that the agreement would be sure to pass the Senate. The American negotiators succeeded in obtaining the support of all the important farm organizations.

The 1949 Agreement has been signed by 40 countries and covers about four-fifths of the world's grain trade. The two important wheat producing countries of Argentina and the Soviet Union withdrew from the negotiations. Argentina announced her intention of staying out of the Agreement when she found she could not secure a higher ceiling price on grain. The Soviet Union withdrew because it wished to obtain an export quota higher than the other countries believed she could regularly supply.

Under the Agreement, the exporting countries guarantee to export a total of 456,283,389 bushels of wheat annually for four years, which the importing countries in turn undertake to buy. The maximum price which the exporters can demand is $1.80 a bushel; the minimum price which the importers can offer drops ten cents annually from $1.50 to $1.20 in the fourth year of the plan.

Because these prices are well below the current American support prices, the question of subsidies to the farmers was a big concern of the senators. Others, among them Senator Arthur Vandenberg, expressed the fear that the pact might lead to state trading and more state controls. Some believed it would have a depressing effect on the price of wheat in the United States. Nevertheless, only one Senator, Hugh Butler, Republican, of Nebraska, was in complete opposition to the Wheat Agreement.

FORUM presents below excerpts from the Senate debate on the International Wheat Agreement illustrating the strength of the farm groups and the general unanimity on the need for some kind of international cooperation in the distribution of food.[1]

* * *

Mr. THOMAS, Democrat, Utah.

. . . . . .

This is the second time in less than a year that a wheat agreement has been before the United States Senate. On August 6, 1948, the Foreign Relations Committee after having held hearings and considering the 1948 Wheat Agreement, reported it to the Senate calendar. Unfortunately, the report came at the end of a short special session and the calendar was so crowded that it was impossible for the Senate to take final action before Congress adjourned.

[1] *The Congressional Record, Senate,* Vol. 95, No. 104, pp. 7727-7737; 7744-7746; 7753.

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However, the committee did not let the matter rest there but looked forward to a resubmittal of the Agreement during the Eighty-first Congress. In a unanimous report it voiced its belief in the principle of marketing commodities in surplus by international agreement. But let the report speak for itself.

. . . . . .

> The committee regrets that it was physically impossible to complete the work on the treaty at the recent regular session in the relatively few weeks available for this purpose. In view of its novelty and its complications and its controversies, there was no chance to reach a responsible finality. These complications increased in the brief recess preceding the present special session. But so also did the conviction that a useful principle is involved. So also did the committee's desire to revive the treaty and keep it open for ratification and renegotiation.

In accordance with these desires the Agreement was renegotiated at a conference called for that purpose in Washington from January 26 to March 23 of this year. The new instrument was then signed and submitted to the Senate by the President on April 19, whereupon it was referred to the Foreign Relations Committee, which appointed a subcommittee to conduct hearings and to give the matter all necessary study. As to the question of the necessary study, everyone knows that any international treaty is a complicated affair. This wheat treaty is no exception. In fact, it is a pioneering effort on the part of our country, insofar as this particular matter is concerned.

. . . . . .

The new pact is a refinement and an improvement upon the 1948 version. The differences between the two instruments have been set forth in the committee report. In general the 1949 Agreement is improved in language, its terms are clearer, and the arrangement of articles is more lucid. Thirty-six importing countries and five exporting countries, representing roughly four-fifths of the wheat trade of the world, have signed. The number alone is significant and is in a sense a gauge of the desirability of the instrument.

While the Agreement embodies considerable technical detail its main outline is clear and understandable to the layman. Article I states that the objective is to assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices. The subsequent articles provide for an international wheat council, in fact, the treaty has adopted the name of the old council which was created before the war, (1) on which all participating countries are to be represented; (2) which is responsible for keeping records for the operation of the agreement; and (3) which will serve as the agency to enforce the rights of participating countries to sell and purchase wheat under the agreement.

Since, of course, this treaty together with the aims of the governments parties to the treaty is a matter which is highly experimental, the International Wheat Council, which in a different way, has had existence for some years, will study this question. That in and of itself is a contribution to the great wheat industry from one end of the world to the other, because in its study the Council will remove naturally many of the hazards which have arisen in the past, and it will furnish information which will contribute to the stabilization of wheat in the future.

Participating countries are allotted votes in proportion to their share of the total quantity of the wheat covered by the agreement. Each exporting country guarantees to sell a specific quantity of wheat at a specified maximum price and each importing country agrees to purchase a specific amount annually at a specified minimum price. The total guaranteed sales equal the total guaranteed purchases. While the maximum prices will remain the same for the four years during which the Agreement is to run, namely $1.80 a bushel, the minimum prices will be reduced each year by 10 cents per bushel, or from $1.50 to $1.20 a bushel. Prices are fixed in Canadian dollars and quality is set in terms of No. 1 Manitoba Northern Canada wheat, in bulk in store at Fort William or Port Arthur.

Member countries which have difficulty in securing their guaranteed sales or purchases may seek the assistance of the Council in securing the contracted quantities under the Agreement. All transactions over and above those contracted are not affected by the agreement.

Ratifications must be deposited by July 1,

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1949, or the Agreement fails to become operative. We must ratify before that date or the Agreement is impossible, because in the Agreement the exporting countries must be represented by 80 per cent, and our total is more than 20 per cent, therefore it is necessary for us to take the lead in the treaty.

The administrative machinery, which will be set up, will revolve about a central organition, the International Wheat Council, composed of representatives of all the exporting and importing countries. It will be the primary agency responsible for carrying the Agreement into effect, and it will act as a tribunal of last resort where disputes between the parties concerning the Agreement will be settled. All the importing countries will have 1,000 votes and all the exporting countries will have 1,000 votes. Each country will be allocated votes in the same ratio as its guaranteed sales or purchases bears to the total sales or purchases under the Agreement. The United States will have 369 of the exporting votes. While decisions will be taken by a majority vote on ordinary matters, vital decisions can only be taken by a two-thirds vote, exporting and importing countries voting separately. The latter applies to amendments, adjustments of quantity, guaranteed purchases to meet critical needs, and a number of other matters set forth in the report.

This is significant because the question has frequently been asked as to whether or not United States interests have been properly safeguarded. The answer, of course, is that in all vital matters the United States is in a position to veto action which might adversely affect her interests.

The Council will meet at least once every half crop year and will be assisted by an executive committee, composed of three exporting and seven importing countries, and an advisory committee on price equivalents. The routine and administrative work will be carried on by a secretariat appointed by the Council.

The Agreement runs for four years and covers an annual trade in wheat of 456,283,389 bushels. When the 168,000,000 bushels of wheat guaranteed under the Agreement by the United States are added to the requirements of the occupied areas there is an assured annual market for United States wheat of 300,000,000 bushels for each of the next four years. The Agreement makes due provision for the priority of wheat for the occupied areas in case any difficulty is experienced with supplying the 168,000,000 bushels guaranteed.

. . . . . .

Last year great concern was expressed by the wheat and flour interests because they feared that the pressure of so much wheat would promote milling in countries where none now exists, and would thus interfere with traditional wheat flour markets of the United States. The 1949 Agreement makes proper safeguard at this point. Wheat flour can be substituted for wheat grain according to an agreed-upon formula for fulfillment of obligations under the contract if the buyer and seller agree. Where countries cannot agree on the relative amounts of wheat grain and wheat flour, which they are to buy and sell, the Council determines the proportions. Even if there be fear that we are sending out too much wheat, the buyer and the seller can make negotiations through the Wheat Council to make proper adjustment. That is proper, because the whole aim is stability; the whole aim is to try to keep the international wheat market on a stable basis so that importing countries can count upon their necessary wheat and so that exporting countries will not be met with surpluses.

. . . . . .

In reaching its decision the Council is directed to consider the industrial programs of the countries involved as they may bear upon the problem, and also to take into account the normal traditional volume and ratio of wheat flour to wheat grain brought in annually by the importing countries concerned.

Another matter which came up constantly during the committee's study was the amount of the subsidy that will be required to make the Agreement operate. The exact amount will depend upon the price of wheat. The President's budget carries an estimated $56,000,000 for subsidy purposes, but that figure was based upon the expectation that we could secure the same maximum as last year, or $2 a bushel for wheat. As Senators know, the

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maximum in the Agreement is $1.80, and on the basis of that figure and wheat prices as of March 1, 1949, it is now estimated that the cost for subsidy purposes will be about $84,000,000 for the 1949-50 market year. While it is expected that $84,000,000 will be required in the first year of the Agreement, the need of a subsidy will decline or disappear in the last years. If we recall that the wheat trade operates under a price-support program, the subsidy here in question becomes relatively small. As a matter of fact, it is expected that a large part of that subsidy will be returned to the United States Treasury due to savings by E.C.A. in its purchases of wheat. E.C.A. estimates that if it can buy wheat at $1.80 a bushel under the Agreement it can save $60,000,000 of its estimated cost for the coming year, and its appropriations for the current year have been cut to that extent. Thus, it would appear that the subsidy figures will be offset by savings of a substantial character.

SUBSIDY

This is probably the most complicated feature of the economics in connection with the treaty. In the first place, we have to support prices, and that goes on regardless of whether we have a treaty or do not have one. But the price of the wheat in the ordinary market is another factor which has to be considered with reference to exactly how much parity money or how much subsidy money goes into this particular wheat. It is highly complicated, and it might become controversial because of its complications. But I think we can say, in general, that so long as the federal government has a support policy in the production of wheat and for maintenance of price, the comparatively small amount which figures under the provisions of the wheat treaty is such that, in the long run, considering all factors, the treaty really and truly does not affect the governmental cost very much, because it both gains and gives.

Mr. LUCAS, Democrat, Illinois. Mr. President, will the Senator yield for another question along that line?

Mr. LODGE, Republican, Massachusetts. Mr. President, we cannot hear the questions of the Senator from Illinois.

Mr. LUCAS. I regret that the Senator cannot hear me. I want to make an observation along the line which the Senator from Utah has just been discussing. As I understand, under this Agreement we are going to export 168,000,000 bushels of wheat. We have support prices, as the Senator says. So, does not the treaty really have this effect? Under the support price, the government might be compelled to take over a number of millions of bushels of wheat and perhaps might be compelled to hold it, while, on the other hand, we are guaranteeing that 168,000,000 bushels of wheat will be exported to certain countries, and from the viewpoint, at least, of the 168,000,000 bushels of wheat we are better off than we would be directly under a support program and nothing else. Is that correct?

Mr. THOMAS of Utah. There, again, I cannot answer the question "Yes" or "No." Let us say we have a surplus of wheat, and all of a sudden there is a great scarcity and the price goes up; or let us say we have an added surplus, and the price goes down. We have to support it in relation to those prices. An exact answer will never be possible. Of course the answer to the Senator's question is, relatively speaking, "Yes."

Mr. LUCAS. Insofar as this year is concerned, when the Senator says we may have to subsidize the wheat growers of this country in the amount of $84,000,000——

Mr. THOMAS of Utah. Providing the amount of wheat remains as it is.

Mr. LUCAS. So far as this year is concerned, we are much better off with the treaty, by being able to export 168,000,000 bushels of wheat to the countries which are parties to the treaty, rather than taking a chance on the government, under the support program, being compelled to take over the 168,000,000 bushels of wheat, not knowing what it will be able to do with it.

Mr. THOMAS of Utah. The whole international economy is at least better off by the amount of money received from the exports.

Mr. THYE, Republican, Minnesota. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I yield to the Senator from Minnesota.

Mr. THYE. Did I understand the Senator correctly to say that the E.C.A. requirements

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would be taken out of the 168,000,000 bushels provided for in the treaty?

Mr. THOMAS of Utah. The E.C.A. requirements are outside of that.

Mr. THYE. I understood the Senator to say that there will be a saving to the E.C.A., in that the E.C.A. would make the purchases out of this wheat, even though there would be a subsidy payment under the lower price agreed to in the treaty.

Mr. THOMAS of Utah. They will make their savings because, so far as the E.C.A. wheat goes to the countries which are parties to the Agreement, buyers of our export wheat in accordance with the Agreement, the E.C.A. has promised to give them so much wheat, which we ourselves pay for, and they are able to buy it at the government figure, $1.80, instead of at the market price of wheat as it is today, $2.25.

Mr. THYE. That is what I understood the Senator to say, and that is why I interpreted his remarks to mean that the E.C.A. would obtain their wheat from the wheat allotted under the treaty.

Mr. THOMAS of Utah. I think the E.C.A. wheat amounts to more than 168,000,000 bushels.

Mr. THYE. I understand so, but the Senator's remark led me to believe that the wheat acquired or required by those countries would be taken out of the wheat they would be now offered under the treaty. That is what I understood the Senator to say.

Mr. THOMAS of Utah. Yes, it could be so construed, in the accounting system which is set up. All we are doing under the treaty is to guarantee to supply 168,000,000 bushels to the purchasing countries.

Mr. THYE. If I may be allowed to make this remark, one advantage which I see in the International Wheat Treaty as of this year is that with the accumulation, or the carry-over, of wheat from last year, plus the tremendous crop that is now being harvested, there cannot be a scarcity of wheat, in my opinion, for at least two more years, and we would have to have a very short yield in the crop of 1950 before we would find ourselves pinched domestically, or even in the exportable quantities of wheat. I think the international treaty on wheat is an excellent step, insofar as our wheat supplies this year are concerned.

Mr. THOMAS of Utah. In other words, the treaty will contribute to the end of overcoming great surpluses. Is not that true?

Mr. THYE. That is true. Of course, there is now being harvested in the United States the largest crop in our history, insofar as wheat is concerned, and that, plus the carry-over of more than 300,000,000 bushels of wheat from last year, is going to give us a tremendous volume of wheat to dispose of.

Mr. GILLETTE, Democrat, Iowa. Mr. President, will the Senator from Utah yield?

Mr. THOMAS of Utah. I am glad to yield to the Senator from Iowa.

MECHANICS

Mr. GILLETTE. I should like to ask a couple of questions with reference to the mechanics of the treaty. Are these transactions to be conducted with the signatory countries, the wheat sold to them, and on their account, through officials of the country itself, or some importing agency of the country?

Mr. THOMAS of Utah. They may be conducted by the country, or they may be conducted in the way in which commercial transactions are ordinarily conducted. Since we will never get into such a position that there will not be a free market and free trading in wheat, the United States merely becomes a record-keeping agency to see that we live up to our promises under the treaty. On the other hand, if the United States should have accumulated a great surplus of its own, and had that surplus, which it had taken under our wheat-support program, it of course could sell from that surplus. So that so far as the United States is concerned, in a case like that, it is an outright governmental transaction. But even in such a case the wheat would move through the ordinary channels of trade, because the government will not set up an agency for transportation and for the care of its own wheat being delivered to foreign countries.

Mr. GILLETTE. That is a clear statement so far as one party to the contract is concerned, namely, the United States. My first question was directed more to the other party to the contract. Are we looking to another country, the country itself, to carry out its

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responsibilities under the treaty? If we are dealing with an importing agency for the other country and it refuses or neglects to take the wheat, what recourse have we?

Mr. THOMAS of Utah. Ordinarily under any international agreement the recourse is not very effective unless there is an absolute sanction of some kind. There is no sanction in this treaty.

Mr. GILLETTE. There is no sanction in the treaty?

PRICE

Mr. THOMAS of Utah. There is not a sanction, because there is no punitive result, except that if the country does not live up to its obligation, its vote in the Council can be taken away from it, and it ceases to be a member by its own action.

With regard to the other question, if, for instance, we are dealing with a country which has made the wheat trade practically a governmental monopoly because it does not grow enough for its own population, and it has to guarantee a supply, our dealings will be with an outright governmental representation. But understand a similar arrangement will be set up in a country which has the same sort of free enterprise ours has and the same way of doing things. It must be kept in mind, however, that price is a fluctuating factor, as are money, the medium of exchange, and other things. So under the Wheat Council there is a committee which is named the Advisory Committee on Price Equivalents. That is a high-sounding title, but everyone knows that with the world in the state in which it is sometimes it is necessary to have high-sounding titles.

Mr. GILLETTE. If I may make one additional comment, I wish to support the treaty; I think it is wholly worth while; but I am seriously concerned with the thought that we are making substantial concessions, and in effect promising subsidies which we will have to pay in some form. I wish to know what assurance we have that, for the concessions we are making, if we are to have a guaranteed market, there is a guaranty which can be enforced. Are we to get something in return for the concessions we are making?

Mr. THOMAS of Utah. I think it is not a guarantee which can be enforced, as I said before, in the sense that one nation would do something to another nation, but it is a guarantee which will be enforced, because the operation of the treaty is to the advantage of both parties, and if the treaty does not operate and function properly, there is a disadvantage to each party. Surely a stable wheat market is probably the greatest advantage any government can have for its people at any time. Food is always essential. With the fluctuating world of today, any effort to bring about stability is good.

We have to pay for stability. We have to make a guarantee to depositors in savings banks. Probably that has cost the little depositor money, if his bank was all right, but insofar as he is willing to pay it, it is insurance. If we could have a stable world, where there were no fluctuations all the time, farmers would have the risk taken out of their work. The whole parity system is based on the idea of trying in some way or other to guarantee a stable market, stable arrangements, so that a farmer can from time to time count his assets and know what they are.

ENFORCEMENT

Let us see what the report says about enforcement, to answer the Senator's question. Probably I should have used the language of the report all the time, rather than my own words, though I sometimes read sentences in the report and do not understand them as well as I understand my own words.

> The enforcement of the 1949 agreement, as was the case with that of 1948, depends to a large extent upon the good faith of the parties.

I forgot to use the expression "good faith," and am glad it appears in this language.

> But that does not mean the Council and the member governments are without remedy to enforce their rights. Penalties are provided in case of breach of agreement. These include loss of voting rights and expulsion from the Council.

Mr. President, in view of the question asked by the Senator from Illinois I believe I should turn again to words which are not my words, and place in the RECORD what the negotiators of the treaty and what the experts

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of the Department of Agriculture and the experts of the State Department have said in answer to questions. I should like to say that the documents from both Departments are very able. We are indebted to the State Department and to the Department of Agriculture for answers to a series of questions numbering 40 or 50. The answers were given at our request. In addition, there appear in the report questions and answers on the subject. The questions were asked by the Senator from Massachusetts [Mr. LODGE], who was chairman of the sub-committee which dealt with the 1948 treaty, and the answers are by experts who have handled the treaty.

In connection with the question asked by the Senator from Illinois, let us see what the experts say:

> Will the fulfillment of United States obligations require a subsidy?
>
> Yes. It will require a subsidy whenever United States prices for wheat are over the maximum price. For example, during 1949 our price support policy is aimed at holding the domestic price of wheat at 90 per cent of parity, which—using March 15, 1949, parity figures—would be $1.95 per bushel average farm price.
>
> If the United States price holds at approximately the support level throughout the marketing year, the amount of subsidy required might be as much as 50 cents per bushel on the total amount of the United States obligations (168,000,000 bushels) or approximately $84,000,000. If, as occurred this past year, the free price of wheat in the United States is below the support price at certain times when wheat could be obtained and exported under the agreement, the total subsidy required would be correspondingly decreased. In the less likely event that domestic price is higher than the domestic support price more subsidy could be required if the wheat had to be purchased in the domestic market at these prices. Barring widespread unfavorable weather conditions the latter situation seems unlikely to occur.
>
> It may be advisable under certain conditions to use C.C.C. stocks of wheat acquired under the price-support program to assist in fulfilling our obligations under the agreement. Some subsidy may also be advisable to move wheat into export even when the United States price is below the equivalent maximum price, if the price which importers are willing to pay, and for which other exporters are willing to sell, is below the current United States price. A question of policy to be determined is whether any or all of any loss thus sustained should be charged against other United States programs rather than to the operations under the agreement. When world prices are below the floor there will be an offsetting gain for the United States under the agreement. Just how the scales will balance can not now be determined.

That is, we are in the realm of theory.

It is not without significance to recall that export subsidies on wheat and flour have been used in the past, and with or without an agreement they may have to be used again in the future if the United States hopes to maintain adequate farm prices for its total production and at the same time compete in the world wheat market. As for the administrative costs they, it is expected, will be small. Not over $25,000 a year will be required for this purpose.

It may interest the Senate to know that in renegotiating the agreement the State and Agricultural Departments used as advisers representatives from all groups that had previously indicated an interest in the agreement. These included both producers and processors. In this way most of the controversial points of the 1948 Agreement were eliminated. Thus, for example, the grain trade, which opposed the 1948 Agreement, is now reconciled that its interests are adequately protected and has filed a statement of support with the committee. Any opposition which may still remain can only be sporadic and scattered. It can be said with complete confidence that the Agreement represents the will of the agricultural population and the acquiescence of the processing interests. The National Grange, the Farm Bureau Federation, and the National Farmers Union have testified in its favor. So has the National Grain Trade Council.

. . . . . .

The committee report and the 1948 and 1949 hearings are before the Senate. Permit me to draw a few conclusions.

First. The boom period of high prices for wheat and a demand for an ever-expanding United States wheat production is over. The time of surpluses is at hand. And if we are

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to avoid letting the surpluses become burdensome, we must take action under the Agreement. This Agreement, when combined with the need of the occupied areas, will assure a market for 300,000,000 bushels of wheat abroad for the United States during the next four years and thus will balance our agricultural economy while production readjustments take place.

Second. The Agreement in stabilizing wheat-trading conditions and in maintaining that stability during the life of that Agreement will contribute to economic recovery of the world and permit the most efficient production possible of wheat.

Third. The Agreement will combat the long-term bilateral agreements by which many countries are now fencing off wheat markets throughout the world, and thus will prevent the freezing of these markets to the disadvantage of the United States.

Fourth. The subsidy involved is not excessive in terms of the anticipated good which will result from the Agreement.

Fifth. The Agreement embodies a most useful test of the general principle of handling burdensome surplus commodities by international agreement.

Sixth. Private trade should flourish under the Agreement, which gives it ample freedom and scope.

Seventh. The United States interests are properly safeguarded in all important matters.

Eighth. Adequate provisions are made for the escape from embarrassing situations due to short crops and unexpected political developments abroad.

Ninth. Testimony before the committee makes clear that the agricultural groups believe the prices set up under the Agreement are fair.

Tenth. All interested parties which have indicated a desire to be heard have been heard, and every effort has been made to safeguard the interests of each and every group concerned.

Eleventh. The Agreement does not make the United States government a state-trading government in wheat.

Twelfth. Enough importing and exporting wheat states are members to make the Agreement workable.

Since the 1948 Agreement failed because the United States did not ratify it, it is of the utmost importance for the life of the instrument before us that we should ratify it well in advance of its July 1, 1949, deadline. That is especially true if we remember that legislation must be passed at this session in order to implement the Agreement. Since 42 of the states of the world have signed the instrument representing the bulk of both the exporting and the importing wheat trade of the world, and since every state has signed of its own volition, we can only reach the conclusion that a very useful principle is involved. The United States leadership will determine the future of this Agreement, and therefore the Senate Foreign Relations Committee recommends that the Senate do advise and consent to ratification of the International Wheat Agreement of 1949.

. . . . . .

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the questions and answers relating to the 1949 wheat agreement, from which I have previously read.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

. . . . . .

OBJECTIVES

GENERAL

1. Why an International Wheat Agreement?

It is an attempt, by introducing an element of stability into the world wheat trade, to overcome the hardships caused to producers and consumers by burdensome surpluses and critical shortages of wheat.

2. How does the present Agreement propose to accomplish this?

By assuring supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.

3. When will the Agreement enter into force?

The administrative parts of the Agreement shall enter into force on July 1, 1949, provided that importing countries responsible for 70 per cent of the wheat coverage and 80

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per cent of the signatory exporters (percentages based on quantities) have formally accepted it.

The marketing year for trade under the Agreement will be August 1 to July 31. However, because of the technical details involved in starting off the first year of the Agreement, its substantive parts (price and quantity) may be put into force as late as September 1, 1949.

4. How does this Agreement compare with the 1948 pact?

Item	1948 agreement	1949 agreement
Duration	5 years[1]	4 years.[2]
Total quantity (millions of bushels).	500	456.
United States quantity (millions of bushels).	185	168.
Number of exporters	3	5.
Number of importers	33	37.
Maximum price per bushel	$2	$1.80
Minimum price per bushel	$1.50-$1.10	$1.50-$1.20.

[1] 1948-49 to 1952-53.
[2] 1949-50 to 1952-53.

It is important to note that the minimum price is 10 cents higher for each year covered by the 1949 agreement than was provided for those same years in the 1948 agreement. This is shown by the following comparison:

Minimum prices

Agreement	1948-49	1949-50	1950-51	1951-52	1952-53
1948	$1.50	$1.40	$1.30	$1.20	$1.10
1949	.....	1.50	1.40	1.30	1.20

5. How many countries are involved in the Agreement?

Forty-two countries indicated an intention of participating in the Agreement (37 as importers, and 5 as exporters). The principal exporting countries in this group account for approximately 85 per cent of the current total world exports of wheat. Participating importing countries account for about 65 per cent of current world wheat imports. The occupied areas of Germany and Japan—not parties to the Agreement—take an additional 15 per cent.

6. Did all countries indicating an intention of participating in the Agreement sign?

All countries except Paraguay signed the Agreement by the closing date, April 15. At the time of signing, however, Peru reduced its guaranteed purchases from 200,000 to 150,000 metric tons.

The net effect of these two actions is a reduction of 110,000 metric tons—4,000,000 bushels—in the total guaranteed purchases of 456,000,000 bushels. Unless other importing countries are willing to raise their guaranteed purchases by an offsetting amount, it will be necessary to make a slight reduction in the guaranteed sales of exporting countries.

7. What proportion of the world wheat trade is covered?

The yearly total of 456,000,000 bushels of wheat included in the Agreement is approximately one-half of the current annual world trade in wheat, and compares with a prewar (1933-34 to 1937-38) average annual trade of 545,000,000 bushels. Guaranteed purchases of wheat under the Agreement represent less than the total import requirements of many of the participating importing countries. In other words, allowance has been made by these countries for trade in wheat with exporting countries not in the Agreement at present. Brazil, for example, is committed to purchase less than 40 per cent of her estimated total annual import requirement because Argentina—Brazil's chief source of supply—is not a participating exporting country. Similarly, other participating importing countries—mostly European—have made allowance for some variation in domestic yields and for imports of wheat from the U. S. S. R. (an estimated 40,000,000 bushels), as well as from Argentina and the Danube Basin.

Recognizing that there will be additional trade in wheat, the Agreement applies only to the 456,000,000 bushels of wheat covered by its terms. The Agreement does not apply to international distribution, marketing, or price of any other wheat. For example, it does not apply to United States shipments to the occupied areas of Germany and Japan.

8. Why did not the U. S. S. R. and Argentina participate in this agreement?

The U. S. S. R. did not participate in the final negotiations because it considered unacceptable the 50,000,000 bushels offered as their share of the guaranteed sales. Russia's

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final position was for a quantity of 75,000,000 bushels.

Argentina considered the maximum price too low and, therefore, did not participate.

9. What will be the effect of their absence?

It is to be expected that all trade in wheat outside the Agreement, including that of Argentina, the U. S. S. R., and other nonparticipating exporting countries, will take place at competitive world prices. Exporting countries participating in the Agreement, however, will be assured of a market for the quantity guaranteed under the Agreement.

10. Can they and other nonparticipating countries join in the Agreement later?

Yes. The Council may by two-thirds of the votes cast by the exporting countries and two-thirds of the votes cast by the importing countries approve accession to the Agreement by any government not already a party to it. The Council may also prescribe conditions for such accession. Under these provisions, approval by the United States will be required for such action.

11. What is the nature of the Agreement?

It is a contractual arrangement between the governments of certain importing and exporting countries involving the annual trade of 456,000,000 bushels of wheat, over a period of four years beginning August 1, 1949, within a fixed range of prices.

12. Does the Agreement contain escape clauses?

Yes.

An exporting country may be relieved of all or part of its obligation in a particular crop-year by reason of a short crop.

An importing country may be relieved of all or part of its obligations for a particular crop year by reason of the necessity to safeguard its balance of payments or monetary reserves. Such relief, however, is only given by a majority vote of the Council. In taking this decision, the Council is directed to seek and take into account the opinion of the International Monetary Fund—where the matter concerns a country which is a member[1] of the fund—on the existence and extent of the necessity for relief in the crop year concerned.

Finally, provision is also made for any exporting or importing country which considers its national security to be endangered by the outbreak of hostilities to withdraw from the Agreement.

13. Do the "escape clauses" weaken the Agreement?

No. The Agreement is necessarily based on good faith and should be accepted by the United States on that basis. To do otherwise is to reject the whole concept of international cooperation.

14. What is the penalty for default?

A country may suffer loss of its voting rights or may be expelled from the Council for breach of the Agreement.

Quantities

15. Does each country have a specific guaranteed quantity for purchase or sale?

Yes. The guaranteed purchases or sales for each country are shown in annexes A and B to Article III of the Agreement. These quantities are the same for each country for each year of the Agreement.

16. What is the United States quantity?

One hundred and sixty-eight million bushels of wheat each year, during the four-year period of the Agreement. (See reply to question 6.)

17. Why is the United States quantity lower than in the 1948 Agreement?

Because total purchases guaranteed by importing countries in the Agreement are lower than a year ago, reflecting in part the improved supply position—particularly in the case of France—in the current marketing season. The United States has taken a cut of 17,000,000 bushels out of the total reduction of 44,000,000.

18. Will the Agreement limit United States wheat exports to 168,000,000 bushels?

No. Provided the United States meets its commitments under the Agreement, we are free to export any additional quantity of wheat, at any price, to any country in which there is a market. Wheat requirements in the occupied areas of Germany and Japan, together with other exports outside the Agreement, should result in average annual wheat

[1] Of the total of 37 importing countries in the Agreement, 28 are members of the International Monetary Fund. Those not members of the fund are Ceylon, Ireland, Israel, Liberia, New Zealand, Portugal, Saudi Arabia, Switzerland, and Sweden. All of the participating exporting countries are members of the fund.

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exports from the United States, over the next four years, of at least 300,000,000 bushels—a total which is about as large as we could safely commit for export during that period.

19. How does the United States quantity compare with that of other exporters this year and last?

The following is a comparison of the guaranteed sales under the 1949 Agreement with those under the 1948 draft.

(Millions of bushels)

	1949	1948
Canada	203	230
United States	168	185
Australia	80	85
France	3	.....
Uruguay	2	.....
Total	456	500

20. How was the quantity for each exporter determined?

By a process of negotiation. In the beginning both importers and exporters submitted quantities which they were prepared to purchase or sell. It was necessary to equate total purchases and sales. The division of this total among exporters was based roughly on a combination of factors relating to ability to supply, historical trade patterns, and supply responsibilities outside the Agreement (e. g., United States occupied areas).

21. What obligations are connected with guaranteed sales and purchases?

Exporters are obligated to sell wheat only at maximum prices and importers are obligated to buy wheat only at minimum prices. Between the floor and ceiling, wheat is free to move at prices agreed between buyer and seller.

22. What will be the effect on exports when prices are between the maximum and minimum?

There are no obligations on either side in this situation; however, both importers and exporters must keep in mind their obligations at the minimum and maximum. For example, any participating country, realizing that rights and obligations may be imposed sometime during the marketing year, will be disposed to trade with signatory countries toward the amount under the Agreement. This will be done so as to have satisfactory quantities recorded against their obligations.

23. Is wheat flour included in the guaranteed quantities?

Yes. Within the total guaranteed sales and purchases, the amount of wheat flour to be supplied by exporters and accepted by importers will be determined by agreement between buyer and seller in each transaction.

24. What happens if importing and exporting countries cannot agree on the amount of wheat flour to move?

In such case, the quantity of wheat flour to be taken shall be decided by the Council, having regard in particular to the industrial programs of any country as well as to the normal traditional volume and ratio of imports of wheat flour and wheat grain imported by the importing country concerned.

25. Does the Agreement prevent private trade in wheat?

No. The Agreement specifically provides that exporting and importing countries shall be free to fulfill their guaranteed quantities through private trade channels.

26. At what price will the United States be obligated to sell wheat under the Agreement?

At prices equivalent to the maximum price specified in the Agreement ($1.80 per bushel for No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur) if the participating importing countries so request.

27. Why was Canadian wheat and Canadian currency specified as the base?

Because, historically, Canada has exported wheat to most of the participating countries. Canadian wheat is generally regarded as the standard for transactions in world trade.

28. What is the Canadian dollar equivalent in United States currency?

Under the Agreement one United States dollar is equal to one Canadian dollar. Any future change in the value of the Canadian dollar will not affect the price equivalents for United States wheat.

29. Will equivalent maximum and minimum prices for United States wheat vary from those quoted for No. 1 Manitoba Northern Wheat in store Fort William/Port Arthur?

Yes. There are two variable factors which will cause the prices of United States wheat to differ from the Canadian price.

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First, transportation costs on wheat exported from a United States Gulf or Atlantic seaport to the importing country are less than from Fort William/Port Arthur to that importing country. The maximum equivalent prices at these ports will be higher because of this differential. For example, the maximum equivalent price f. o. b. ship at Baltimore for wheat of quality equal to No. 1 Manitoba Northern and destined for western Europe would be $1.96¾ per bushel, calculated on transportation costs as of mid-April 1949. Because of a special provision in the Agreement, the equivalent maximum price for wheat in store at United States Pacific seaports is set at $1.80 per bushel for wheat of quality equal to No. 1 Manitoba Northern. Minimum equivalent prices for wheat f. o. b. at all United States seaport locations vary as ocean transportation costs from any given port to the United Kingdom vary.

Second, the price equivalents for United States wheat may be varied because of quality differentials between No. 1 Manitoba Northern and grade and quality of the wheat being exported in any particular transaction. This quality differential is to be mutually agreed upon between the importing and exporting parties concerned. In actual practice such quality differentials will vary up or down from time to time depending upon the availability of supplies of the kind of wheat desired by the importer and offered by the exporter.

30. What are the equivalent prices for typical classes and grades of United States wheat at United States seaports and at a few representative interior terminal and sub-terminal points in the United States?

Examples: Approximate United States price equivalents using mid-April costs and without allowances for quality differentials.

Location	Destination			
	Western Europe		India, Ceylon, etc.	
	Maximum	Minimum	Maximum	Minimum
No. 1 Manitoba Northern in store, Fort William, Ontario	$1.80	$1.50	$1.80	$1.50
No. 1 Hard Winter, f.o.b. Galveston, Tex.	1.91	1.61	1.92	1.61
No. 1 Hard Winter, f.o.b. Baltimore, Md.	1.96¾	1.66¾	1.94	1.66¾
No. 1 Soft White/No. 1 Hard Winter, in store, Portland, Ore.	1.80	1.41⅝	1.80	1.41⅝
No. 1 Hard Winter in store, Kansas City, Mo.	1.67	1.37	1.68	1.37
No. 1 Hard Winter in store, Dodge City, Kans.	1.51¾	1.21¾	1.52¾	1.21¾

31. Will the prices in the Wheat Agreement set prices for the United States farmer?

No. The total amount of United States wheat involved in the terms of the Agreement is 168,000,000 bushels compared to domestic wheat crops of over a billion bushels a year for the last five years. The Agreement undertakes to assure outlet for 168,000,000 bushels of the domestic production. In years of ample supply the price of wheat to the United States farmer will largely be governed by domestic price-support policies. In years of short supply, nothing in the Agreement will operate to impede the free movement of domestic prices above the price support level.

32. Will the fulfillment of United States obligations require a subsidy?

Yes. It will require a subsidy whenever United States prices for wheat are over the maximum price. For example, during 1949 our price-support policy is aimed at holding the domestic price of wheat at 90 per cent of parity, which—using March 15, 1949, parity figures—would be $1.95 per bushel average farm price.

If the United States price holds at approximately the support level throughout the marketing year, the amount of subsidy required might be as much as 50 cents per bushel on the total amount of the United States obligation (168,000,000 bushels) or approximately $84,000,000. If, as occurred this past year, the free price of wheat in the United States is below the support price at certain times when wheat could be obtained and exported under the Agreement, the total subsidy required would be correspondingly decreased. In the less-likely event that domestic price is higher than the domestic support price more subsidy could be required if the wheat had to be purchased in the domestic market at these prices. Barring widespread unfavorable weather conditions the latter situation seems unlikely to occur.

It may be advisable under certain conditions to use C.C.C. stocks of wheat acquired under the price-support program to assist in fulfilling our obligations under the Agreement. Some subsidy may also be advisable to move wheat into export even when the United States price is below the equivalent maximum price, if the price which importers

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are willing to pay, and for which other exporters are willing to sell, is below the current United States price. A question of policy to be determined is whether any or all of any loss thus sustained should be charged against other United States programs rather than to the operations under the Agreement. When world prices are below the floor there will be an offsetting gain for the United States under the Agreement. Just how the scales will balance cannot now be determined.

ADMINISTRATION

33. How is the Agreement to be administered?

By an International Wheat Council composed of a voting member from each of the exporting and importing countries in the agreement.

34. Does each member of the Council have equal vote?

No. Provision is made for a proportional system of representation. Importing countries hold 1,000 votes and exporting countries hold 1,000 votes. The total number of votes held by each group (importers and exporters) is divided among the members of that group in the proportion which their respective guaranteed purchases or sales bear to the total purchases or sales.

This group-voting procedure gives equal representation in the Council to both importing and exporting interests.

35. How many votes will the United States hold?

As the Agreement now stands, the United States will hold 369 of the total of 1,000 votes held by exporting countries.

36. Is this number significant?

Yes. It means that any decisions of the Council which require a two-thirds majority of the importing and exporting countries voting separately, must have the approval of the United States among others.

Such decisions relate to (1) amendment of the Agreement, (2) adjustment of quantities in cases of nonparticipation or withdrawal of a country, (3) any *pro rata* reduction in guaranteed purchases in order to meet a critical need which has arisen in a participating importing country, (4) delegation of powers and functions of the Council to the executive committee, and (5) accession to the Agreement of any government not already a part to it.

37. How are decisions of the Council to be made?

In some cases (see reply to question 36) by a two-thirds majority of the importing and exporting countries voting separately.

In article XIX (disputes and complaints) a majority of votes held by importing countries and a majority of votes held by exporting countries is required for the Council to find any participating country in breach of the Agreement, and to assess penalty for such breach.

In other cases, decisions of the Council shall be by a majority of the total votes cast.

38. Are decisions of the Council binding?

Each exporting and importing country undertakes to accept as binding all decisions of the Council under the provisions of the Agreement.

39. Will this undertaking affect or restrict our domestic policies and programs?

No. Under the terms of the Agreement, the United States or any other country reserves to itself complete liberty of action in the determination and administration of its internal agricultural and price policies. We endeavor only to operate those policies in such a way as not to impede the free movement of prices between the maximum and minimum set for transactions under the Agreement.

40. What other administrative bodies are provided for in the Agreement?

An Executive Committee composed of members from three exporting countries (elected annually by the exporting countries) and not more than seven importing countries (elected annually by the importing countries). A weighted system of voting is provided so that the total vote of the exporters is equal to the total vote of the importers. The Executive Committee shall be responsible to and work under the general direction of the Council.

An Advisory Committee on Price Equivalents, consisting of representatives of three exporting countries and of three importing countries, is established to advise the Council and the Executive Committee on technical matters relating to equivalent prices.

Provision is also made for a Secretariat.

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41. How will disputes and complaints be handled?

Any disputes not settled by negotiation and any complaints regarding failure to fulfill obligations are referred to the Council for decision. It is expected that the same spirit of cooperation which made possible the negotiation of the Agreement will prevail in its administration.

United States Participation

42. Who decides the United States position with respect to this Agreement?

The commitments we propose to undertake were decided by the executive branch of our government. In establishing the United States position, the executive branch had the counsel of an advisory group consisting of representatives of Congress, the farm organizations, and members of the private grain trade and milling industry.

Final decision as to participation in the Agreement will, of course, be made in accordance with our constitutional processes of government. As a treaty, the Agreement will require ratification by the President, by and with the advice and consent of the Senate.

43. What was the function of the advisory group?

The advisory group was invited by the Secretary of Agriculture to participate in discussions of the proposed 1949 Agreement both before and during the negotiations. Several meetings of the whole group and informal meetings with different segments of the group were held at which views were exchanged and controversial issues thoroughly explored. Through these discussions, the United States delegation was given invaluable assistance not only in establishing our general position, but also in shaping specific provisions of the proposed Agreement to the best interests of all concerned. As an example of more direct assistance, the private grain trade generously provided these services of a technical expert to assist the United States member of the working party on price equivalents at the Conference.

44. How does the Agreement affect our domestic agricultural program and policies?

The Agreement implements our domestic program by helping to maintain and to assure an expanded foreign market for wheat. The extent of post-war readjustment necessary in our wheat economy will depend, in large measure, on the future size of our exports. The market provided under the Wheat Agreement would absorb average production from over 10,000,000 acres. If we are to maintain a prosperous agriculture, we must find outlets for that portion of the production of agriculture commodities which is surplus to our domestic needs. In the case of wheat, we believe the Agreement provides a workable method of achieving this objective.

45. How does the Agreement affect our foreign policy?

The Agreement also implements our foreign policy in the field of agriculture by promoting the idea of solving specific commodity problems through international co-operation.

46. How does the Agreement relate to the E.C.A. program?

The Agreement complements the E.C.A. program insofar as it promotes economic recovery by assuring supplies of wheat to E.C.A. countries at reasonable prices. Such assurance should lessen the tendency toward uneconomic programs of self-sufficiency in many wheat importing countries.

E.C.A. importing countries are committed to take a total of 323,000,000 bushels of wheat under the Agreement. This compares with estimated pre-war average imports of wheat and flour, in terms of wheat, for this same group of countries, of 380,000,000 bushels, of which the participating exporting countries supplied 210,000,000. Estimated wheat import requirements of E.C.A. participants in the Agreement for the current (1948-49) marketing year total about 470,000,000 bushels, of which 435,000,000 will be supplied by Canada, Australia, and the United States.

47. Will the E.C.A. be required to finance Canadian or Australian wheat exports under the Agreement?

No. Under the terms of the proposed Wheat Agreement, the financing of wheat purchased in Canada and Australia is a matter to be settled directly by those exporters and the importing countries concerned. Payment for any transaction under the Agreement is to be on the same conditions, regarding the currency in which payment is to be made, as

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prevail generally between the countries concerned at that time.

Neither does the Agreement restrict or impede recourse to section 112 of the E.C.A. Act, under which E.C.A. is required to purchase in the United States agricultural commodities which the Secretary of Agriculture has declared surplus to domestic needs and which we are in a position to supply.

48. Does this Agreement supersede existing bilateral contracts between participating countries?

No. Provision is made in the Agreement for accommodating existing contracts covering wheat sales and purchases. If the exporting country and the importing country concerned agree, a transaction or part of a transaction for the purchase and sale of wheat entered into before the entry into force of the operating sections of the new agreement shall, irrespective of price, count toward the guaranteed quantities of those countries.

49. Will government controls be required to implement this Agreement?

Yes. Certain government controls will be required to assure meeting our commitments under the Agreement. These would include a licensing procedure to control the destination of our wheat exports and a requirement for reporting quantities, prices, and related information in order that the government can meet its undertaking to report such information as may be required for the recording of transactions by the Council.

50. If this Agreement is approved will the United States be able to carry out its provisions under existing legislation or will there be need for implementing legislation?

There will be need for implementing legislation.

51. Does the Department of Agriculture propose to submit such implementing legislation?

Yes. A proposed draft is being submitted to the Congress with the hope that both the Agreement and the implementing legislation may be considered together by the Congress.

52. Is there sufficient legal authority now available to the Department of Agriculture or any other governmental agency to meet the subsidies that may be needed when domestic prices are above the agreed maximum prices?

There are certain provisions of law which might, under certain conditions, be interpreted as furnishing authority for such subsidies. However, to make certain that sufficient authority and funds are available for the full four years to meet all possible subsidy requirements, the C.C.C. would be specifically authorized to pay such subsidies under the proposed implementing legislation.

53. How can these subsidies be paid to private industry?

The proposed enabling legislation will provide the authority for making subsidy payments. Detailed methods for making payments to private traders who are entitled to them are proposed to be handled by administrative regulation within the framework of the enabling legislation. Experience in making subsidy payments during the last war indicates that regulations satisfactory to the trade and to the government can be worked out.

Mr. VANDENBERG, Republican, Michigan.

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I shall not reiterate the contents of the Agreement. The distinguished Senator from Utah has fully presented the subject. Neither shall I belabor the question marks which are in my mind, but I wish to record them. I simply remark:

OBJECTIONS

First. That the treaty prices for export wheat, prices well below current support prices, might become a depressing effect upon the natural price of wheat in due course.

Second. That the operation of the system involves an almost inevitable subsidy on export wheat, although this results from support prices rather than from the Agreement itself.

Third. That the proposed process is the equivalent of at least partial state trading on a quota basis, which runs counter to our reciprocal policies of international trade, which seek a minimum of artificial barriers.

Fourth. That even this much state trading in wheat exports may logically precipitate a demand for an expansion of the system to other commodities.

Fifth. That the absence of Russia and the Argentine, two great wheat exporters, leaves

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a serious unknown quantity in the world wheat situation.

Sixth. That this program will involve certain agricultural controls, which we shall have to provide by supplementary legislation before this session of Congress adjourns.

. . . . . .

But in the face of the heavy exportable wheat surplus which we probably confront for keeps, this much of a semi-guaranteed market for American surplus wheat offers an arguable advantage which, on balance, would seem to warrant this experiment, particularly if state trading in other wheat-exporting countries should pre-empt these foreign import markets by making agreements without us.

Mr. President, I hope our American wheat farmers do not expect too much from this Agreement. It is full of loop-holes. In the final analysis, it is worth no more, by way of guaranteeing export markets, than the degree of foreign recuperation in dollar credits. But I repeat that, on balance, it seems to be a justified adventure in export stabilization for American agriculture. Indeed, we may learn a number of things as a result.

Mr. President, I would not be misunderstood. I support the treaty hopefully, but I do so with distinct reservations in respect to its impacts.

Mr. LODGE.

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Taking a long look into the future, I cannot help but doubt whether this Wheat Agreement is a step in the right direction, from the farmers' standpoint. Although I realize that what I say may be considered a little advanced, nevertheless it seems to me that if we are to have international agreements of this type, it would be better for the American farmer, and would make more sense, to have them built around an animal product, such as dried skimmed milk or dried eggs. In such a case, the United States would have fed the grain in this country, kept the manure in this country, built up the land in this country, furnished the income to our family farms in America that produced the eggs and milk, and, of course, would have built up the industries which handled these products. This would tend to improve the diet of the American consumers in the cities, which is a factor of tremendous importance. There would be all these great advantages, and at the same time the wheat farmer probably would receive a greater advantage than he would under the proposed Agreement which now is before the Senate.

In fact, Mr. President, I often think that the talk about the so-called over-production of agricultural products indicates a confusion of thought. Actually, the trouble is not over-production so much as it is under-consumption.

If all the children in our cities drank all the milk and ate all the eggs, and meat they wanted, there would be very little left of the so-called farm surplus. But for that to take place, several things must happen, one of which is that agriculture must grow the things that people want to eat. For this reason, I submit that the "ever-normal icebox," filled with the products of animal agriculture, is a more worth while and profitable goal than the ever-normal granary, and I think this is particularly true insofar as the grain producer is concerned.

That is the way the matter appeals to me, Mr. President. However, I have lived long enough to know that it is impossible for any man to "play every instrument in the band." I am certainly no agricultural expert, and shall not try to pose as one. I am simply one of millions of citizens who are interested in agricultural questions, and who consult experts in whom they have confidence. For this reason, I do not feel that I can put my judgment against that of the four leading farm organizations which are strongly in support of this International Wheat Agreement.

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Mr. BUTLER, Republican, Nebraska.

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Mr. President, at about this time last year the Foreign Relations Committee of the Senate had under consideration the so-called International Wheat Agreement, which was designed to control and direct our international trade in wheat for a five-year period. At that time I addressed the Senate, and proved conclusively, I believe, that the Agreement could

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not possibly benefit the wheat farmers of this country. My statement will be found in the CONGRESSIONAL RECORD for July 29, 1948, at pages 9639 to 9642. I pointed out a number of the principal defects of the Agreement; and my statements, so far as I know, have never been challenged. Last year the Senate never took action to give its consent to that Agreement, and I believe that decision of the Senate was wise.

This year we have had presented to us a new International Wheat Agreement. It follows substantially the same general lines as last year's Agreement. None of the principal defects which I and others have pointed out has been corrected. It still does not offer any real hope of benefits to our wheat farmers, in my judgment. I am just as much opposed to this new Agreement as I was to last year's Agreement.

I shall not make a long statement, Mr. President, but I would like to read from just two recent newspaper editorials regarding the Agreement. First of all, let me quote briefly from an editorial which appeared in *The Chicago Daily Tribune* in the issue of June 9. After giving a brief summary of the principal provisions of the agreement, this editorial goes on to say:

> On the other hand, if the world wheat price goes below the minimum of $1.50-$1.20 the importing countries will buy their grain from the country that will sell the cheapest. With Russia and Argentina declining to participate in the Agreement, they will be in a position to sell at world prices. All the countries would have to do to avoid paying us $1.50 for grain available at $1 would be to invoke one of the escape clauses, such as the one providing that an importer may be excused from paying the minimum if to do so would weaken his currency.

I call the particular attention of the Senate to the last sentence:

> All the countries would have to do to avoid paying us $1.50 for grain available at $1 would be to invoke one of the escape clauses.

In other words, we would not have any real guaranty at all that other countries would take our grain at the so-called minimum price. In our experience with most of our trade agreements we have found that other countries escaped the intent of the agreements when it suited them by invoking quotas and other quantitative restrictions or exchange controls against us. That has been our experience. This proposed Wheat Agreement permits the importing countries to escape their obligations in exactly the same way. To avoid fulfilling those obligations, they need only invoke their exchange-control systems and then turn around and buy their wheat from Argentina or Russia by some sort of bilateral deal of the type that has become so common. There is absolutely no guaranty against such a thing happening, and all our experience tells us that it will happen.

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The other editorial is from a leading newspaper whose philosophy is at the opposite pole from that of *The Chicago Daily Tribune*. I refer to *The New York Times*. The *Times* certainly disagrees with *The Chicago Daily Tribune* on almost every question relating to our international relationships. The Wheat Agreement is practically the only question of that type on which these two newspapers agree. Both of them agree that it is a bad agreement. Here is what *The New York Times* editorial, appearing in the June 8 issue says:

> The 1949 version of this plan is less realistic, if anything, than that of 1948, which the Senate did not get around to ratifying. The major wheat producing and exporting countries of the world are the United States, Canada, Argentina, Australia, and Russia. Argentina and Russia have elected to sit the experiment out. So what happens? So, in order to retain the original pattern, the authors of this fanciful scheme have now decided that Uraguay and France are "exporting" countries, and have assigned them to the roles originally planned for Argentina and Russia.
>
> The original wheat agreement, in the thirties, collapsed because Argentina, even though included, refused to adhere to its export quota. Only an incorrigible optimist would assume, therefore, that the 1949 version would stand up with two of the major grain-producing countries of the world on the outside and in a position to offer importing nations barter agreements in which wheat would be exchanged for machinery and other needed products.

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Mr. President, wheat production is one of the leading industries of my state. It is absolutely essential for the prosperity of Nebraska that we take effective measures to maintain a fair price for wheat. Along that line, I have been an advocate of the farm program, including measures to support wheat prices through Commodity Credit Corporation's activities and otherwise. That program can work, as it has in the past.

Export markets are, of course, an essential need for the wheat producer. If any sound means could be presented to guarantee our farmers those markets, I would favor it. At the present time we are selling wheat abroad because of the European Recovery Program. In other words, we are giving it away. So long as we continue to give it away, we should have no difficulty in getting rid of it. Once we stop giving it away there is nothing in this Wheat Agreement to guarantee that we can continue to sell our wheat surplus. That is the simple truth. Until some really workable plan for selling our wheat surplus abroad is proposed, I do not see any reason why our wheat farmers should accept a proposal that has no real chance of solving their problems.

Mr. President, the wheat-price schedule in the Agreement as proposed is away below our domestic price and below the price-support program in effect. The principal effect of the adoption of the proposed treaty will, in my opinion, be very bearish and depressing on our market instead of beneficial.

Mr. YOUNG, Republican, North Dakota.

Mr. President, I wish to say a few words in behalf of the International Wheat Agreement. It is not perhaps as good an agreement as many of us would like, but I think it would improve the position of the American farmers materially. The price of wheat under the Agreement is reduced to $1.80 a bushel, which was about 20 cents below the present farm price-support level. The Commodity Credit Corporation will have to make up the difference between the market price here and the price at which we are supplying the wheat to European governments. But the price of $1.80 a bushel I submit is far above anything we are getting from the foreign countries at the present time. We are shipping approximately 350,000,000 bushels a year, most of it as a pure gift. In the fall of 1947 I had the privilege of attending the World Food and Agricultural Conference, held in Geneva, as one of the two representatives of the Senate. There I found great concern among all the countries of Europe about their future supply of bread grain. The people of those countries wanted to be assured, as they do now, where they were to get their future supply of wheat. The pending Agreement gives them assurance that we will supply in the future a certain amount of wheat to them, regardless of conditions.

In the past we were furnishing them as much wheat as we possibly could, at reasonable prices, I believe something around $3 a bushel since the war. At the same time these countries had to purchase in other markets of the world as much wheat as they could get. Argentina was charging them as much as $6 a bushel for wheat. European countries want to be assured of a supply. If they cannot get from the United States and other countries the supply of wheat they need, they will want to increase wheat production in their own countries and by programs in new areas, such as Africa, so that they will be assured of something to eat in the future.

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Mr. THOMAS of Utah. No one assumes that our wheat economy will be governed entirely by an international treaty. We do assume, however, that the international treaty will help to make more stable and more certain and regular the income of the farmers. Therefore it is wholly in keeping with what we are trying to do along domestic lines.

Everyone knows that with a crop of a billion bushels in a year, and a guarantee of the export of merely 168,000,000 bushels, we are not depending on the international wheat treaty to guarantee prosperity to the farmers of our country. But, Mr. President, we must never lose sight of the fact that once we have come to the place where we have a surplus, that once we are actually producing more than we are consuming of any commodity, we may have arrived at a dangerous point, so far as stability in prices is concerned, and a situation especially dangerous for the wel-

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fare of the producer. Therefore the wheat treaty aims, and consistently aims, at attempting to help the producer in such a way that he will not be in a position of uncertainty.

We must not, however, lose sight of the other side of the question. In our international relations since the war we have entered into a field of broad morals, into a field also of putting faith in other nations and in other peoples. It may sound strange to some to hear it said that we are building a foreign policy upon the basis of good faith and upon a system of morality, upon a theory not only that we want to live but that we want other people to have the chance to live, because we believe that maintenance of stability and decent democratic principles, and the raising of ever higher standards of living for the average person, and especially the raising of the standards of living for those who do not have enough, is our greatest bulwark, is the opposite of instability and uncertainty in our political life.

I should like to point out that the editorial quoted by the Senator from Nebraska [Mr. BUTLER] was not based upon fact, it was based on surmise. An assumption had been made. First an assumption was made that without Argentina and without Russia the wheat treaty would not succeed, because Argentina and Russia would be free lances in the world wheat market, and Argentina and Russia will undersell other nations, and that, therefore, the importing nations would not want to live up to their promises in regard to taking wheat from the exporting nations.

Mr. President, that is hardly factual. In the beginning of the negotiations both Argentina and Russia were represented. Argentina refused to stay with the Agreement because she did not like the price which the nations of the world had set. She wanted a higher price than the $1.80 maximum guaranty. In view of that fact, it seems to me we would not have the type of competition which has been hinted at, of Argentina offering to underbid. She refused to join the group and remain with the group because the price was not high enough.

We do not know how price support works out in Argentina, but their trading really and truly is governmental trading, so far as the export trade of Argentina is concerned. The government does all the trading. Whatever profit is made, the government itself keeps the profit. The profit does not go back to the Argentine producer or purchaser. That is the type of governmental economic handling of products that we, who live under the American theory, do not like. That is the type of thing we are trying to overcome in the world. We like free trading conducted by private persons. We like trading on the basis of freedom. That does not mean absolutely free trade, Mr. President.

In the case of Russia, she refused to stay in and abide by the decision of the negotiators because Russia wanted a bigger quota than the rest of the nations were willing to give her. She wanted to export wheat on so large a scale as probably would have resulted in Russia being obliged to neglect her own population in order to fulfill the promises made to export to foreign countries.

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Mr. President, I am not criticizing Argentina, at least in my own mind, although my words may sound as if I were critical of Argentina. I am not criticizing Russia. The facts do not bear out Russia's ability to deliver the quota of wheat she wanted applied to herself. She wanted a quota of 100,000,000 bushels of wheat for export. The negotiators wanted Russia to accept a quota of 50,000,000 bushels. They finally settled on 75,000,000 bushels for Russia, but Russia would not accept that quota. She stuck to her first request of 100,000,000 bushels.

Let us see whether the Russians were thinking in terms of good wheat economics, in view of what has since taken place. Russia was a great exporter of wheat for the period between 1909 and 1913, before the First World War. During that time she exported an average of 164,000,000 bushels of wheat a year. The wheat habits of the world revolve around the Ukraine to a certain extent and around the Balkan countries and the Danubian countries.

By 1925 . . . . Russia was able to export in the world wheat market 28,000,000 bushels. In 1926 her exports went up to 49,000,000 bushels, but in 1927 Russia's exports dropped

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to 3,000,000 bushels. In 1928 she did not export any wheat. In 1929 she was back to the export stage again, and she exported 10,000,000 bushels. In 1930, when our export trade had fallen off due to a great number of factors, Russia was again back in the export market, and she exported 114,000,000 bushels; in 1931, 66,000,000 bushels; but in 1932 she was down to 17,000,000 bushels. . . .

In 1933 she was back to 35,000,000 bushels, and in 1934 she dropped to 2,000,000 bushels. There have been great fluctuations, and stability has not yet come to her. In 1935 she was back to 28,000,000 bushels. In 1936 she fell from 28,000,000 to 4,000,000 bushels. In 1937 she exported 43,000,000 bushels; in 1939 34,000,000 bushels. Then came the war, and from 1939 on she has had only one export year, and that was in 1940, when she exported 40,000,000 bushels.

Mr. President, I have had nothing to do with the negotiation of this treaty, but I think the nations of the world were realists when they told Russia that she could not live up to a consistent exportation of 100,000,000 bushels, or even 75,000,000 bushels. Because facts show that she could not have done it. If one great exporting country does not fulfill its obligations, it puts great responsibilities on the other countries. While Russia's withdrawal was wholly voluntary, the reason for her withdrawal, given by herself, was that she did not get what she wanted. I think, in the light of all the circumstances, it is fortunate that she did not get what she wanted.

I think those facts will show that the editorial in *The New York Times* which the Senator from Nebraska quoted was not based upon facts, and that the premises, namely, that Argentina would undercut us, and that Russia might come into the market with great exports and therefore interfere with the even way in which the wheat treaty should operate, are rather farfetched and not consistent with the facts.

Mr. President, mention was made of the cartel question. The question was raised as to whether this wheat treaty would make the government a governmental trading agency, and whether it would result in a great cartel. Of course it will not, or Senators on this side of the aisle, and Senators on the other side of the aisle who support the treaty would not be recommending it.

Mr. President, for the purpose of the record I ask unanimous consent that the answer in regard to cartels which was made when the first treaty was negotiated be printed in the RECORD at this point as a part of my remarks.

There being no objection, the statment was ordered to be printed in the RECORD, as follows:

14. THE AGREEMENT IS A CARTEL WHICH WAS WORKED UP IN SECRET BY A GROUP OF GOVERNMENT BUREAUCRATS

The Agreement differs from a cartel in a number of particulars. It is an agreement between governments and not between private firms. There is no tie-in of transactions as between buyers and sellers. For example, the United Kingdom may purchase wheat in Canada, Australia, or the United States on the basis of price and is required to take it from any of these three countries only to the extent of the quantity covered by the Agreement. The Agreement, unlike cartels, contains representatives of both producers and consumers, and the two groups, as indicated earlier, have an equal voice. With respect to the charge of secrecy, it may be pointed out that negotiations leading to the Wheat Agreement extended over a period of approximately 15 years, that ever since 1942 the United States has been committed to the principle of an international wheat agreement as the best means of meeting specific wheat problems, that the memorandum of agreement in which this commitment was made was distributed as a public document soon after it was initialed. The International Wheat Agreement itself was the direct result of two international conferences, one in London in March and April 1947 and one in Washington from January 28 to March 6, 1948. During the preparation which preceded both of these conferences the government representatives met frequently with and consulted interested United States groups, principally representatives of the farm organizations and staff members of the two Congressional Committees on Agriculture. Members of these two committees themselves were also invited to certain of the meetings, but usually did not attend. The final session of the London Conference was open to the press and the draft agreement produced by the conference, upon which full agreement was not reached during the conference, was given to the press at that time and was subsequently publicized in the

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United States in a number of ways. For example, an article on the London Conference and the text of the draft agreement were published in the State Department Bulletin on June 1, 1947. The final meeting on March 6, 1948, of the special session of the Wheat Council, in which the agreement was actually negotiated, was likewise open to the press and the text of the agreement itself was given to the press at that time. Those interested in the negotiations were therefore given a full opportunity to keep informed of their progress and to examine the various draft agreements which precede the final one signed on March 6, 1948. The final draft differed from the one which came out in the London Conference in only a very limited number of provisions. The forms of the two drafts were identical.

Mr. THOMAS of Utah. Mr. President, many persons have asked about prices. I should like to be able to place the figures in the RECORD as a part of my remarks, to show how we reached the deduction that the wheat treaty might cost, in various kinds of subsidies and support payments, as much as $84,000,000. I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks certain price support figures and calculations.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

1948 price support of wheat

1. Base period price of wheat (August 1909 to July 1914) average (cents per bushel)	84.4
2. Index of prices, June 15, 1948	251
3. Parity price (1 multiplied by 2) (per bushel)	$2.22
4. Support price (90 per cent of parity) (per bushel)	$2.00

1949 price support as of May

5. Base price (same as 1) (cents per bushel)	88.4
6. Index of prices, May 15, 1949	245
7. Parity price (5 multiplied by 6) (per bushel)	$2.17
8. Support price (90 per cent of parity) (per bushel)	$1.95

Calculation of 1949 subsidy

	Per bushel
9. Cost of wheat on the farm	$1.95
10. Cost of moving crop to port or marketing center	.45
11. Cost of wheat at center (9 plus 10)	2.40
12. Cost of wheat under the agreement	1.80
13. Cost of moving wheat to port	.11
14. Cost of wheat under agreement at port (12 plus 13)	1.91
15. Subsidy required $2.40 less $1.91	.49
16. Guaranteed 168,000,000 bushels at nearest round number 50 cents	84,000,000.00

. . . . . .

Mr. THOMAS of Utah. Mr. President, we have made a canvass of the Members of the Senate, and we find no opposition at all to the treaty.

Inasmuch as the Senators who have wished to address themselves to the treaty have concluded their remarks, I think we are justified in suggesting now that the treaty be ratified by voice vote. . . .

The PRESIDING OFFICER (Mr. SCHOEPPEL in the chair). The Agreement is open to amendment. If there be no amendment to be proposed, the Agreement will be reported to the Senate.

The Agreement was reported to the Senate without amendment.

The PRESIDING OFFICER. The resolution of ratification will be read.

The legislative clerk read, as follows:

Resolved (two-thirds of the Senators present concurring therein), That the Senate advise and consent to the ratification of Executive M, Eighty-first Congress, first session, the International Wheat Agreement, which was open for signature in Washington from March 23, 1949, to April 15, 1949, and was signed, during that period, on behalf of the Government of the United States of America and the governments of 40 other countries.

The PRESIDING OFFICER. The question is on agreeing to the resolution of ratification. [Putting the question.] Two-thirds of the Senators present concurring therein, the resolution of ratification is agreed to, and the Agreement is ratified.

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